International Conference on Energy Efficiency, 2011 Istanbul
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Finances and Energy Efficiency

International Conference on Energy Efficiency, 2011 İstanbul
Finances and Energy Efficiency

Speakers Melih Çadırcı (KfW); Ivo Mulder (UNEP-FI); Alper Acar (UNDP); Burak Kartal (TURSEFF); Şafak Bezirgan (Şekerbank)

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Ecology
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Energy Efficiency: Civil Society Organizations and Municipalities

Reports on the international conference held on September 30 - October 1, 2011 in Istanbul

Energy efficiency plays an increasingly important role for intelligent and future oriented energy policies. For the formulation of sustainable and comprehensive energy action plans, cooperation is needed between stakeholders at all levels: local, national and international.

Heinrich Böll Stiftung Turkey Representation, Center for Ecology and Energy (Bosnia and Herzegovina - BiH), Center for Monitoring and Evaluation (Serbia), Center for Progressive Technologies (Czech Republic) together with the European Union Policies Institute organized a two-days conference on September 30 – October 1, 2011 in Istanbul. The conference was open to the participation of local governments, NGOs and private sector representatives working on the issue of energy efficiency.

Launched in early 2010 and financed by the European Commission, the project “Strengthening Energy Efficiency Capacities and Networks of Civil Society Organizations and Municipalities: Bosnia Herzegovina, Czech Republic, Serbia and Turkey” was closed with this international conference which aimed at increasing collaboration among different stakeholders with the potential to influence energy efficiency policies.

The conference brought together an impressive group of speakers from prominent international organizations, finance institutions and municipalities including the Covenant of Mayors (COMO), German Development Bank (KfW), Local Governments for Sustainability (ICLEI), United Nations Development Program (UNDP) and Istanbul Metropolitan Municipality. The aforementioned project started off with two surveys conducted in Serbia and Turkey analyzing the energy efficiency policies from a legal and administrative perspective. The project was followed with capacity building programs which targeted representatives from local administrations, civil society organizations, energy consultants and other relevant actors in BiH, Serbia and Turkey with the support from the Czech partner of the project, Center for Progressive Technologies (for more information on the project, please visit www.e-efficiency.org).

The conference aimed at being a platform where local decision-makers, representatives from civil society organizations and private sector had the opportunity to exchange ideas and experience in the field of energy efficiency with international organizations, finance institutions and municipalities. A wide range of topics were covered in the conference including the following:

- Energy efficiency policies in the European Union
- Finances and energy efficiency
- The role of municipalities: action plans, local strategies and methods
Cooperation between civil society organizations and municipalities: success stories

Lobbying and networking among municipalities at the regional, national and international level

The three-volume conference publications contain the presentations made by speakers as well as the discussions that took place during and after the roundtables focusing on the specific topics of *Finances and Energy Efficiency; Municipalities: Good Practices and Action Plans, Lobbying and Networking Among Municipalities; and Civil Society Organizations and Municipalities: Success Stories.*

We hope that the publications help establish and strengthen the relationship between different stakeholders and that it will contribute to the formulation of a comprehensive and intelligent energy policy in Bosnia and Herzegovina, Serbia and Turkey.

We are truly grateful to all the speakers who took part in the conference for their full support and co-operation and also to the conference attendees for their enthusiastic participation.

**Dr. Ulrike Dufner and Zeyneb Gültekin**
Heinrich Böll Stiftung Turkey Representation
Energy Efficiency Credit Lines

Melih Çadırcoğ (KfW)
Energy Efficiency Credit Lines
A presentation by KfW

Innovative Finance to Support Energy Efficiency Investments
In Germany and the Balkan Region

Istanbul, 30th September 2011
Melih Çadirci

KfW – A Strong Environmental and Climate Protection Bank

- KfW is one of the leading environmental and climate protection banks worldwide.

- In 2010, EUR 25.3 billion in commitments for environmental and climate protection in Germany and abroad with carbon emissions reductions by more than 6.6 million tonnes.

- Domestic Investments (2010):
  - EUR 11.1 billion: Industrial environmental protection
  - EUR 8.7 billion: Energy-efficient construction and refurbishment (950,000 homes).
  - Broad experience as No. 1 Environmental Bank in Germany

1. KfW’s Energy Efficiency Programs in Germany

2. KfW’s Energy Efficiency Approach in South East Europe

Domestic Energy Efficiency / Renewable Energy Programs

Programs
- Energy Efficient Construction
- Energy Efficient Rehabilitation
- In 2009 energy efficient construction / rehabilitation of 620,000 units of buildings
- Safeguarding a large number of jobs
- Clients: Enterprises / SMEs / Private House Owners
- Standardised approach for residential and public buildings – “KfW Efficiency House”
Energy Efficiency Credit Lines

Promoting EE in Housing - KfW in Germany
“KfW Efficiency House”

- Subsidized Loans, partial repayment relief, grants
- Better conditions of financial schemes

1. KfW’s Energy Efficiency Programs in Germany
2. KfW’s Energy Efficiency Approach in SEE

Energy Efficiency Environment in Southeast Europe

Challenges:
- High energy intensity due to inefficient production processes and old or incomplete equipment
- High GHG-Emissions due to outdated equipment
- Up-coming energy shortages due to economic growth
- Low, but gradually increasing energy tariffs
- Limited number of energy auditors
- Low awareness of energy efficiency
- EE is a new loan product in SEE
- Availability of public funding

KfW’s Strengths:
- One of the leading environmental banks worldwide with broad experience
- Broad sector know-how in financial and energy sector
- Leading in introducing new loan products in SEE
- Long-standing cooperation with key stakeholders in SEE’s financial and energy sector

The main Objectives are:
- To improve market transparency.
- To make energy efficiency a sign of quality for flats and buildings.
- To reduce energy demand in the building sector.

NL = New Building Energy Need Level according to German Energy Conservation Ordinance
*Actual value varies, depending on the reference building as per Energy Conservation Ordinance
KfW Energy Program for Southeast European Countries
Innovative Banking Facility for Sustainable Energy Finance

1. Technical Assistance
2. Energy Efficient Rehabilitation via Banks
3. Promotional Programs

Implementation of Energy Efficiency Loan Product
20% Energy and CO2 Reductions

KfW Energy Program for Southeast European Countries
Approach - A Broad Based Loan Product

EE Approach One: SME & Housing
- Sub-loan Volumes
  - Up to EUR 1 million
  - Average sub-loan volume:
    - SME EUR 100,000 – 200,000
    - Housing EUR 15,000

EE Approach Two: Industry
- Sub-loan Volumes
  - Between EUR 1 and 5 Million

EE Instruments
- Credit lines to partner banks
- Technical Assistance

Our goals are to improve KfW’s proven experience and achieve:
- 20% energy savings and reduction of greenhouse gases
- Implementation of a widespread, standardized and established EE loan product
- Awareness raising of EE within partner banks and borrowers
- An increase in competitiveness for sub-borrowers
- A quicker market penetration of innovative efficiency technologies
- A reduction in dependence on energy imports

KfW Energy Program for Southeast European Countries
Approach - Technical Assistance

- Screening & Clustering
- Analysis of Credit Process
- Technical Assistance
- Support in Marketing
- Training of Loan Officers
- Monitoring Energy & CO2

HEINRICH BÖLL STIFTUNG
DEGNERI TÜRKİYE TEMSİLİLİĞİ

Finances and Energy Efficiency
**KfW Energy Program for Southeast European Countries**

**Typical Investments**

- **Housing**
  - Improve lighting
  - Building envelope improvements
  - Heating system modernisation
  - Meters for measuring

- **SME & Industry**
  - Building envelope and heating system improvements
  - Replacement of production machinery
  - New Lighting
  - Compressed air systems

---

**KfW Energy Program for Southeast European Countries**

**Current Portfolio**

<table>
<thead>
<tr>
<th>Country</th>
<th>Partner Bank</th>
<th>Source of funds</th>
<th>in Mio. EUR</th>
</tr>
</thead>
<tbody>
<tr>
<td>Turkey</td>
<td>Yapı Leasing</td>
<td>SMEKFW</td>
<td>20.3</td>
</tr>
<tr>
<td></td>
<td>Sakkerkbank</td>
<td>KFW</td>
<td>20.0</td>
</tr>
<tr>
<td>Kosovo</td>
<td>ProCredit Bank</td>
<td>SMEKFW</td>
<td>10.0</td>
</tr>
<tr>
<td></td>
<td>Raiffeisen Bank</td>
<td>SMEKFW</td>
<td>10.0</td>
</tr>
<tr>
<td>Montenegro</td>
<td>OKS</td>
<td>SMEKFW</td>
<td>15.0</td>
</tr>
<tr>
<td></td>
<td>Erda Bank</td>
<td>SMEKFW</td>
<td>2.0</td>
</tr>
<tr>
<td></td>
<td>MB</td>
<td>SMEKFW</td>
<td>2.0</td>
</tr>
<tr>
<td>Serbia</td>
<td>Cacanska Bank</td>
<td>SMEKFW</td>
<td>5.0</td>
</tr>
<tr>
<td></td>
<td>ProCredit Bank</td>
<td>SMEKFW</td>
<td>15.0</td>
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<tr>
<td></td>
<td>ProCredit Bank</td>
<td>SMEKFW</td>
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<tr>
<td></td>
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<tr>
<td></td>
<td>Volkbank</td>
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<td>Ukraine</td>
<td>ProCredit Bank</td>
<td>SMEKFW</td>
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<tr>
<td>Albania</td>
<td>ProCredit Bank</td>
<td>SMEKFW</td>
<td>15.0</td>
</tr>
<tr>
<td>Russia</td>
<td>Start</td>
<td>KW</td>
<td>7.1</td>
</tr>
<tr>
<td></td>
<td>Transcreditbank</td>
<td>KW</td>
<td>10.7</td>
</tr>
<tr>
<td></td>
<td>Raiffeisenkbank</td>
<td>KW</td>
<td>7.1</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td></td>
<td><strong>231.2</strong></td>
</tr>
</tbody>
</table>

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**KfW Energy Program for Southeast European Countries**

**Investment Example**

**Restaurant in Belgrade, Serbia**

**Volume:**
- Total investment ca. EUR 50,000
- Loan from Cacanska Banka: EUR 30,000

**Investment:**
- 5 solar panel for warm water heating; enough to heat/feed 500 l water boiler
- Geothermal under floor heating and cooling for restaurant area

**Impact:**
- Reduction of electricity bill during July and August approx. EUR 600-700 per month (reduction of 40 %)
- Savings in energy consumption: 233,000 kWh/a
- Savings in CO2 emissions: 84 T.P.A.
- Payback period: 4 years
- Owner will introduce solar panels also for private use
- New client for Partner Bank

---

**KfW Energy Program for Southeast European Countries**

**Example Investment**

**Chicken Farmer in Mladenovac, Serbia**

**Volume:**
- Total investment c.a. EUR 17,500

**Investment:**
- Biomass Oven fueled by farmer's existing grain production

**Impact:**
- Complete avoidance of diesel fuel bill (EUR 1500/Month) via conversion
- Savings in energy consumption: 584,000 kWh/a
- Savings in CO2 emissions: 402 T.P.A.
- Payback period: 1 year
Credit Line to Şekerbank to Promote Energy Efficiency (EE) in SMEs / Housing Sector in Turkey:
- KfW/CEB Loan: EUR 20 million;
- EC Funds: grant of EUR 2.3 million from the “Energy Efficiency Financing Facility (EEFF)”; grant funds will “leverage” KfW loan
- EC grant is used as investment incentives for investors in EE measures, consulting services to end-borrowers and Şekerbank, administration fee to Şekerbank
- The German Government and Austrian Development Bank contribute EUR 0.3 million each to TA facility
- Şekerbank has been selected as partner bank due to its widespread branch network also in less developed regions and its expertise in SME finance
- Şekerbank has already launched a credit product for EE financing (“EKOKredi”); support under the EEFF shall help to professionalize and scale up this initiative

> Goal is to develop a standardized financing product for EE investments
> Contribution to financial sector development; demonstration effect for other financial institutions

Goal of Projects is to promote and improve Energy Efficiency and environmentally friendly energy generation of buildings and in industry in Albania and Serbia
- Credit lines to ProCredit Albania and ProCredit Serbia including EC grants from the Energy Efficiency Financing Facility (EEFF) 2007
- ProCredit Albania: Loan of EUR 15 million leveraged with grant funds from the EEFF in the amount of EUR 2.25 million
- ProCredit Serbia: Loan of EUR 30 million leveraged with grant funds from the EEFF in the amount of EUR 2.5 million
- In both projects the German Government (BMZ) provides additional grant funds (interest subsidies and consulting Services)

Thank You for Your Attention!

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Accounting for Water and Biodiversity Issues in Finance

Ivo Mulder
(UNEP-FI)
1. UNEP Finance Initiative

- A strategic partnership between the United Nations and globally operating financial institutions.

- Aim: to understand the impacts of environmental and social considerations on financial performance and to promote the adoption of best practice.

- Nearly 200 banks, insurers, asset managers, and pension funds make up the global UNEP FI family.

2. The basis

Financial institutions – banks, brokers, investors and insurers – are in the business of calculating and trading risk.

It is therefore important to understand how climate change, water scarcity and biodiversity loss impact borrowers and portfolio companies and ultimately the bank itself....

3. The UNEP FI Statement

1. Commitment to sustainable development
   - Sound business management
   - Allow markets to work in cost-effective regulations
   - Sustainable Development is a corporate commitment

2. Environmental management and sustainable development
   - Precautionary approach
   - Comply with environmental regulations
   - Identify and quantify environmental risks
   - Best practice in environmental management
   - Update practices periodically
   - Conduct internal environmental reviews

3. Public awareness and communication
   - Develop and publish environmental statement
   - Ask support from UNEP to stimulate adoption of the Statement
4. Why we need environmental policies

<table>
<thead>
<tr>
<th>CDOs of subprime-mortgage-backed securities issued in 2005 – 2007</th>
</tr>
</thead>
<tbody>
<tr>
<td>Calculated default rate (%)</td>
</tr>
<tr>
<td>AAA</td>
</tr>
<tr>
<td>AA+</td>
</tr>
<tr>
<td>AA</td>
</tr>
<tr>
<td>AA-</td>
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<tr>
<td>A+</td>
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<tr>
<td>A</td>
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<tr>
<td>A-</td>
</tr>
<tr>
<td>BBB+</td>
</tr>
<tr>
<td>BBB</td>
</tr>
<tr>
<td>BBB-</td>
</tr>
</tbody>
</table>

Source: The Economist, 13 February 2010

One example......how - unaccounted - BES risks translated into financial consequences

5. How banks and investors account for ESG

- E = environment; S = Social; G = Governance
- G: think of Enron (ind) and the financial crisis (system), etc
- S: think of human rights violations in DRC’s mining, etc
- E: think of BP, Vendeta, Three Gorges Dam, etc
- Incorporating ESG depends on the line of finance
  - Project finance
  - Corporate lending
  - Equity investing
  - Bonds

Source: UNEP Fi CEO Briefing

...share price BP between 20 April and 5 August ’10
5. How banks account for ESG: Lending

- Project finance: Equator Principles leading guidelines
  - Applied on deals > USD 10 million
  - 72 banks have adopted the EPs; > 80% market value
  - New IFC Performance Standards in effect January 2012
  - Exploration to expand beyond project finance

- Corporate finance:
  - ESRA: Environmental Social Risk Analysis (WB / IFC)
  - Sector-specific policies

---

5. How banks account for ESG: Lending

What environmentally sensitive sectors are we talking about?
(not a complete list!!)

1. Agriculture / Biofuels
2. Construction / building materials
3. Fisheries
4. Forestry / oil palm
5. Food producers, processors and retailers
6. Infrastructure / Construction of dams
7. Tourism / leisure
8. Oil and gas sector
9. Climate change policy
10. Metals and mining
11. Utilities

---

5. How investors account for ESG: equity / bonds

- Investment analysis
- Positive stock screening: ‘best in class’
- Exclusion / negative screening
- (Proxy) voting
- Engagement
5. How investors account for ESG: bonds

- Investment analysis
- Positive stock screening: ‘best in class’
- Exclusion / negative screening

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Introduction

1. The 2010 edition of the World Energy Outlook (WEO) assesses two indicators of energy poverty at the household level: (i) the lack of access to electricity and (ii) the reliance on the traditional use of biomass for cooking. In Sub-Saharan Africa the electrification rate is 31% and the number of people relying on the traditional use of biomass 80%; this is where the greatest challenge lies.

2. Today, there are 1.4 billion people around the world that lack access to electricity, some 85% of them in rural areas.

3. The number of people relying on the traditional use of biomass is projected to rise from 2.7 billion today to 2.8 billion in 2030. Using World Health Organization estimates, linked to our projections of biomass use, it is estimated that household air pollution from the use of biomass in inefficient stoves would lead to over 1.5 million premature deaths per year, over 4,000 per day, in 2030, greater than estimates for premature deaths from malaria, tuberculosis or HIV/AIDS.

Figure 3. Relationship between HDI and energy consumption

The UN Millennium Development Goal of eradicating extreme poverty by 2015 will not be achieved unless substantial progress is made on improving energy access.

• There is a strong correlation between development, human well-being and accessibility to energy.

• Sustainable development deals with human well-being in the relatively longer term as described as: “Sustainable development is development that meets the needs of the present without compromising the ability of future generations to meet their own needs” and closely linked with accessibility to basic services and human health.

• Sustainable development rests on integration and a balanced consideration of social, economic and environmental goals and objectives in both public and private decision-making.

(The concept of green economy/green growth focuses primarily on the intersection between environment and economy)

• Climate change is one of the most serious threat to human well-being and sustainable/human development.
Market Transformation Interventions

1. Market Transformation of Energy Efficient **Appliances** in Turkey

   **Objective:** To reduce the household electricity consumption and the associated greenhouse gas emissions of Turkey by accelerating the market transformation of more energy efficient household appliances and accelerating phase-out of old and inefficient appliances.

2. Improving Energy Efficiency in **Industry**

3. Promoting Energy Efficiency in **Buildings** in Turkey

   **Objective:** Raise energy performance building standards, improve enforcement of building codes, improve building management and introduce the use of integrated building design to Turkey

Market Transformation Interventions

1. Market Transformation of Energy Efficient **Appliances** in Turkey

   **Objective:** To improve energy efficiency of the Turkish industry by enabling and encouraging companies in the industrial sector for efficient management of energy use by different energy conservation measures and energy efficient technologies.

2. Improving Energy Efficiency in **Industry**

3. Promoting Energy Efficiency in **Buildings** in Turkey

Policy Level Support
Policy Level Support

Energy Efficiency in National Climate Change Action Plan

1. Energy
   • PURPOSE E1. Reducing energy intensity
2. Building
   • PURPOSE B1. Increase energy efficiency in buildings
3. Industry
   • PURPOSE S1. Increase energy efficiency in the industry sector
4. Transportation
   • PURPOSE U4. Increasing efficiency in energy consumption of transportation sector

Local Level Implementations

Project Title: Developing Farmers’ Capacity to Adapt to Irrigation and Energy Restrictions
Recipient Institute: Village Services Union of Sanz District

- Adaptation / mitigation
- Clean technology / clean energy demonstration
- Green jobs possibility (production of water powered pump)
- Applicable and adaptable to similar geographic locations

Conclusion

Towards

RIO+20 United Nations Conference on Sustainable Development

in 2012 (4-6 June 2012)

renewed political commitment, institutional frameworks...
...new outlook, new approaches, new tools...
Thank you...

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Fax: +90 312 496 1500
Turkey Sustainable Energy Financing Facility

Burak Kartal
(TURSEFF)
Finances and Energy Efficiency

Some Challenges

- The small size of some projects can be a barrier to attracting the attention of large multilateral financial institutions.
- In-country commercial financial institutions still need to increase their experience in financing energy efficiency projects or ventures.
- Although Energy Efficiency projects mostly pay for themselves in a short time, they sometimes stall due to lack of time or personnel to design and plan them, or lack of internal expertise to develop a viable implementation plan.

The Rational

- Improving energy efficiency is one of the best ways to fight against global warming because it provides net economic benefits, while reducing pollution.
- Energy efficiency is a critical factor for sustainable development of any company, anywhere.
- Energy efficiency and renewable energy generate real cash savings.
- Each 1 US$ invested in energy efficiency saves US$ 2 in supply-side investment.

What is TURSEFF?

- Developed by EBRD (European Bank for Reconstruction and Development).
- Supported CTF (Clean Technology Fund) and EU.
- Part of EBRD’s Sustainable Energy Financing Programs.
- Those Programs:
  - Started in 2004.
  - Total Package is 1.3 Billion $.
  - Currently available 11 countries.
  - Through 35 partner banks, $ 700 million loan has been disbursed.
- The ultimate goal is:
  - Energy Efficiency Projects.
Turkey Sustainable Energy Financing Facility

What is TURSEFF?

- Innovative Credit Line
- Technical Assistance Package
  - Free-of-charge
  - Consisting of local and international experts
- Net Financial Targets
  - Energy efficiency projects
  - Renewable energy projects
  - Greenhouse gas emissions reductions

Other SEFF’s

- Bulgaria
  - Since 2004
  - 250 million $
- Slovakia
  - Since 2007
  - 85 million $
- Ukraine
  - Since 2006
  - 210 million $
- Georgia
  - Since 2007
  - 65 million $
- Romania
  - Since 2008
  - 110 million $

6 Credit Categories

<table>
<thead>
<tr>
<th>Credit Category</th>
<th>Credit Limit</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fast track credits for:</td>
<td></td>
</tr>
<tr>
<td>Small Commercial</td>
<td>Up to US$ 300,000 US</td>
</tr>
<tr>
<td>Residential</td>
<td>Up to US$ 75,000</td>
</tr>
<tr>
<td>Renewable Energy Projects</td>
<td>Up to US$ 5 million</td>
</tr>
<tr>
<td>Commercial Buildings Energy Efficiency and Renewable Energy</td>
<td>Up to US$ 5 million</td>
</tr>
<tr>
<td>Energy Efficiency Projects</td>
<td>Up to US$ 5 million</td>
</tr>
<tr>
<td>Manufacturers of energy efficient equipment</td>
<td>Up to US$ 1 million</td>
</tr>
</tbody>
</table>
Finances and Energy Efficiency

Which Project Types are Eligible for Borrowing under TURSEFF?

- Private enterprises, firms, businesses, sole proprietors or other private legal entities formed operating in Turkey.
- Borrowers that comply with the definition of SME as per Commission Recommendation:
  - Employ no more than two hundred and forty-nine (249) full-time equivalent staff AND
  - Have a maximum annual turnover of EUR 50 million OR
  - A maximum annual balance sheet total of EUR 43 million.
- Subsidiaries of large corporations
- Private households
- Energy Service Companies (ESCOs).

Mid-Sustainable Energy Financing Facility

- 400 million Euro for 3 credit categories
- Renewable Energy investments
- Industrial Energy Efficiency investments
- Waste Energy Production investments
- Credit Facility between 10 and 40 million Euro
- 4 Local Partner Banks
- First Local Partner Bank is Garanti Bank
- Other three Local Partner Banks will come in 2011.

Fast Track Credits for Eligible Equipments

Small scale commercial up to 300,000 $ and
Residential Up to 75,000 $

- Residential
  - Up to 75,000 $
- Small scale commercial
  - Up to 300,000 $
- Eligible equipment and suppliers list is on www.turseff.org and the list is updated regularly.

Investment loans for suppliers up to $ 1 million

1. The loans should be for the purpose of expanding the business operation of Energy Efficiency Suppliers.

2. Supplier credits cannot be more than 10% of the total TURSEFF loan portfolio of partner banks.
Turkey Sustainable Energy Financing Facility

Loan Based on Project

- Amount of loan > 300,000 USD
- Energy Efficiency and Renewable Energy Projects up to 5 million US$
- Energy efficiency
- Renewable energy
- Commercial building
- Carbon financing options for these projects is done with a more comprehensive valuation of energy.

Loan Based on Project

- How is the process working;
- Potential borrower is directed to Local Partner Banks or,
- TURSEFF by supplier. (TURSEFF directs the potential borrower to Local Partner Banks)
- The general and technical eligibility check
- Initial Eligibility, SME and creditworthiness check

VENDOR (Vendor Financing)

- What can Vendor cover?
- Supplier and dealer can use the credit for financing the end user.
- Credit package for end user (credit card, collective agreement)
- End user must be individual person or SME on Vendor.

THANKS
Şekerbank and Energy Efficiency

Şafak Bezirgan (ŞEKERBANK)
Energy Efficiency in Buildings
Finance & Construction Sector – NGO Cooperation

Sectoral Energy Efficiency Potential in Turkey

- Construction: 30%
- Manufacturing Ind.: 20%
- Automotive Ind.: 15%
- Potential Total Saving: 25%
- Almost US$3 billion

Turkey’s 2010 Energy consumption: US$40 billion

- Agriculture: 4%
- Industry: 32%
- Transport: 21%
- Residential Buildings: 40%
- Other: 3%

Turkey’s Energy Demand

- Demand Increase till 2020 compared to 2010
  - Low Growth => 1.7 folds
  - High Growth => 2.2 folds
  - “Around 2 folds increase till 2020”
  - Energy deficit after 2013
**Finance Sector and Energy Projects**

- To increase supply => Energy generation investments
- To balance demand => Energy Efficiency Projects
- Resource procurement => Finance sector

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**Şekerbank and Energy Efficiency**

Şekerbank solidified under EKOkredi all works of the bank concerning the area of energy efficiency in 2009, with the aim of reducing the external dependence of our country (which imports 75% of its energy) and protecting our natural resources.

Objectives:
- Raise awareness on energy saving and energy efficiency
- Preserve our natural resources
- Contribute to our national economy by enabling benefits for enterprise and household budgets

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**Şekerbank and the Construction Sector**

Growing together with Turkey for 58 years, Şekerbank has stood beside the construction sector during the good and bad times of the economy, in line with its vision to support production.

For Şekerbank, the construction sector is not a structure composed only of building contractors, but a value chain which consists of around 200 sub-sectors contributing to the sector with input.

- Land development and undertaking firms
- Project design companies
- Producers of construction materials
- Machinery & equipment suppliers
- Building inspectors
- Marketing and sales companies
- Construction undertaking services

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**EKOkredi: Loan that protects energy and labour**

ENERJİYİ VE EMEĞİ KORUYAN eko kredi
EKOkredi: Loan that protects energy and labour

- Is the first of its kind in Turkey in the area of financing energy saving and efficiency investments.
- Is structured with the most suitable and long-term fund in Şekerbank’s portfolio.
- Can be extended to all segments as agricultural, individual and commercial loans.
- Provides funding for obtaining the Energy Identification Card.
- Was selected the banking product of 2009 in the area of funding energy saving and efficiency investments in Turkey.

Through EKOkredi, Şekerbank has extended almost 284 million TL in loans in this area, and hence introduced energy efficiency to almost 20 thousand people.

354 SMEs
19,535 INDIVIDUALS,
2721 TRADESMEN, FARMERS AND SMALL BUSINESSES...

The real Sector – NGO- finance sector cooperation...

İMSAD’s first and only members from the finance sector, Şekerbank launched an isolation mobilization together with İZODER in 2009...

- 0% interest for 8-month maturity
- Technical consultancy services and İZODER (National Association of Insulation Products Manufacturers) insulation training-certified personnel in 266 branches
- A structure allowing lending to managements of buildings and building complexes for the first time in Turkey, in addition to individual applications
- Thermal insulation for over 20 thousand dwellings with TL 80 million in loans

For Şekerbank, energy efficiency is a institutional responsibility

Şekerbank,
- Put in place the “Environmental and Social Sensitivity Regulation” in 2008
- Carries out activities in 70 provinces and 199 districts to raise awareness in this area through grassroots communication actions.
- Gives importance to using recyclable materials.
- Asks companies to fill in an environmental sensitivity form in lending processes
- Collaborates with the real sector towards creating a social platform on energy efficiency.
- Was selected the first bank in the entire Southeast Europe to which a loan shall be disbursed within the scope of EKOkredi by the Southeast Europe Energy Efficiency Fundi/Green for Growth Fund. The loan will fund 2,500 projects.
Speakers
Speakers

Melih Çadırcı
Melih Çadırcı is the Senior Project Manager - Financial Sector at KfW-German Development Bank Ankara, Turkey since 2007. Between 2004-2007, Çadırcı worked as Project Manager - Financial Sector at KfW Ankara. He was the Head of Section Research, FDI Statistics, SME Strategy and Reimbursement Department at the General Directorate of Foreign Investment, Prime Ministry of Turkey, Undersecretariat of Treasury between 2002-2004.

Ivo Mulder
Ivo Mulder has worked for a number of years with financial institutions – predominately banks and investors – to stimulate them to better integrate biodiversity, climate, and water criteria in lending and investment products.

Within his capacity at UNEP FI Mr. Mulder is responsible for building the business case for financial institutions to better account for biodiversity, ecosystem service and water issues in lending and investment products. UNEP FI is a partnership between the UN and more than 200 financial institutions, which gives it a unique opportunity to foster change in the financial system. UNEP FI works on multiple fronts, which includes supporting the development of metrics for financial institutions to account for environmental, social and governance (ESG) issues, embark on new initiatives like the Principles for Responsible Investment (PRI) and the upcoming Principles for Sustainable Insurance (PSI), and through the UNEP FI Global Roundtable.

Prior, Mr. Mulder worked as a senior consultant for Triple E, a Dutch firm that developed a practical model to economically value nature. He has furthermore worked for the Dutch National Fund for Rural Areas (National Green Fund) in the Netherlands, an organization that is responsible to act as a financial intermediary to finance and invest in nature areas that comprise the Dutch Ecological Network. Within his capacity he was responsible for developing a new strategy for the Forest Climate Fund, as well as how to go about the role the organization played in nature compensation and biodiversity offsets. Earlier on Mr. Mulder worked as an environmental finance consultant for KPMG Sustainability and Sustainable Finance Ltd., as a junior professional associate for the International Union for the Conservation of Nature (IUCN) in China and Switzerland, and as a consultant for Forest Trends.

Ivo Mulder earned his BSc and MSc degrees in Environmental Sciences from Wageningen University, with a specialization in ecological and environmental economics. In his free time he is an active triathlete. He also enjoys mountain hiking, traveling and music.

Alper Acar
Project Manager Assistance to Turkey for the UN Conference on Sustainable Development 2012 (Rio+20) Preparations
Alper joined UNDP as the assistant project manager of “Integration of Sustainable Development into Sectoral Policies” project in 2006. He continued his career in UNDP as the Regional Project Coordinator of MDG-F 1680 UN Joint Programme on Enhancing the Capacity of Turkey to Adapt to Climate Change funded by UNDP-Spain MDG Achievement Fund between 2008 and 2011. He was responsible for coordinating the activities in and managing the...
climate change adaptation grants programme in Seyhan River Basin. Currently he was selected as the Project Manager of “Assistance to Turkey for the UN Conference on Sustainable Development 2012 (Rio+20) Preparations” project.

Alper is an environmental engineer graduated from Istanbul Technical University (ITU) in 1994. He holds a M.Sc. degree form ITU in environmental engineering. He has competent experience in sustainable development and climate change adaptation as well as water and solid waste management; nature protection; rural development.

Burak Kartal
Burak Kartal works as Consultant as Finance Expert, Marketing Expert and Bank Relationship Manager at European Bank for Reconstruction and Development TURSEFF Project (Turkey Sustainable Energy Efficiency Financing Facility) since 2010 where he is responsible for preparing Renewable Energy Projects reports, marketing activities, planning the clients and partner bank’s activities, visiting potential project sites with an international engineer and preparing detailed Renewable Energy and Energy Efficiency project plans for clients and EBRD. He is also the owner and manager of Fagerli Trading and Financial Consulting.

Şafak Bezirgan
A business administration graduate, Şafak Bezirgan worked for Pamukbank 1992 through 1999 as the bank’s Individual Marketing Service Director following which he took up successive assignments as Sales Manager with Demirbank, TEB, and Denizbank before joining Şekerbank in 2004 as the Individual Banking Sales Manager, his current post.
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