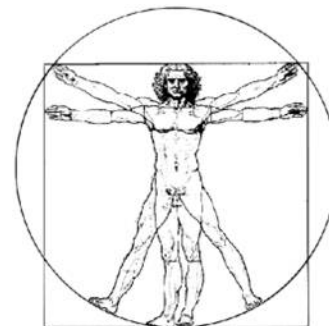


ecbi



## Engaging MSMEs through EDA

AFD Experiences

Sunday, 5 July 2015, Holiday Inn, Songdo

Luc le Cabellec

Directeur Adjoint

Département des Appuis Transversaux

for sustained capacity building in support of international climate change negotiations

pour un renforcement durable des capacités en appui aux négociations internationales  
sur les changements climatiques

# Engaging Micro, Small, and Medium Enterprises in developing countries

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ENHANCED DIRECT ACCESS AND THE GCF PRIVATE SECTOR FACILITY

**Working Paper<sup>1</sup>**

February 2015

## **Annex A. Sustainable Use of Natural Resources and Energy Financing**

by Pierre Forestier,\* Ophélie Risler, Mustapha Kleiche



# AFD employs new development models to confront shared challenges

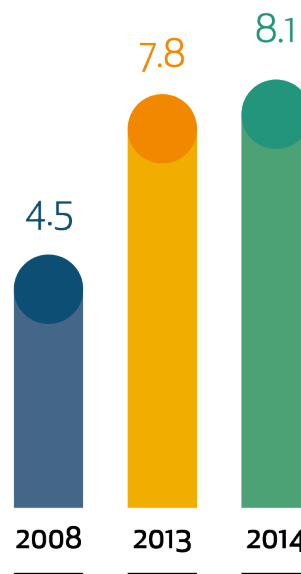
## Reconciling development and climate concerns

**€2.8 billion** in foreign countries and France's overseas provinces for development projects with a demonstrably positive climate impact

**53%** of 2014 funding in foreign countries aided the fight against climate disruption

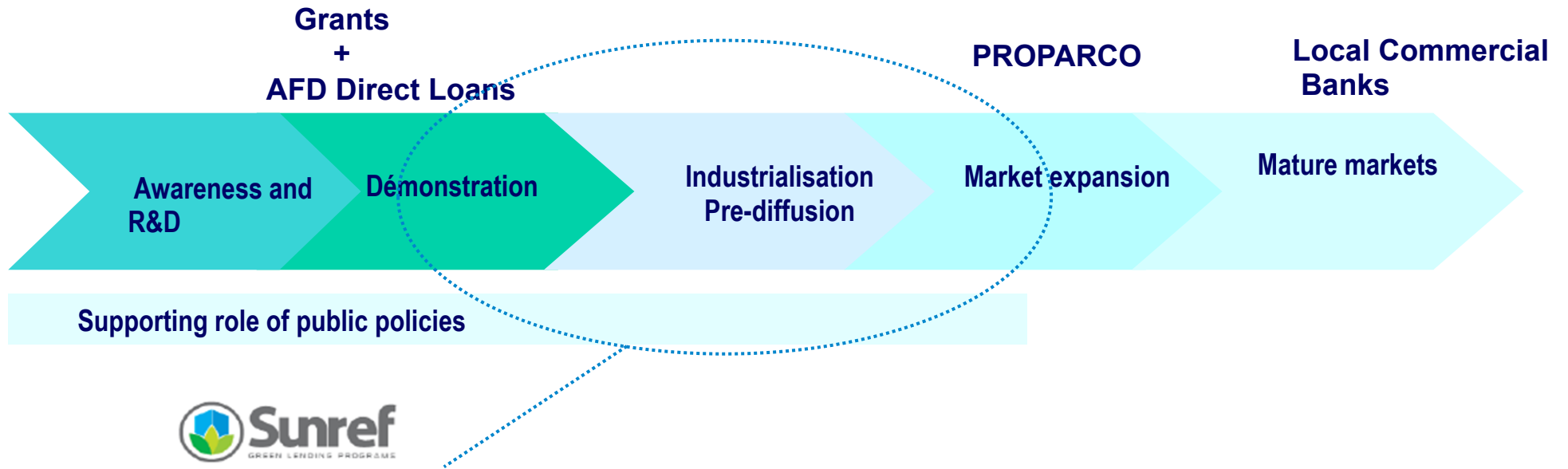
A constant rise: **€18 billion** since 2005

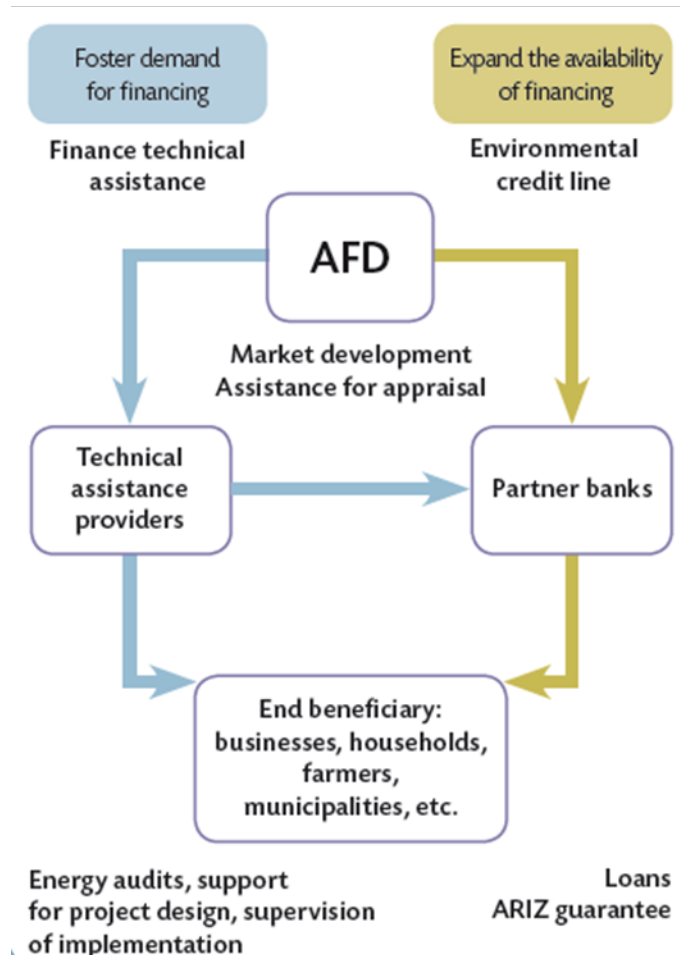
Passing  
the **€8 billion\***  
milestone



AFD Group financing  
commitments  
(AFD and Proparco)  
*in billions of Euros*

\*includes €245 million  
from other donors

 **Sunref : Filling up the gap**  
GREEN LENDING PROGRAMME

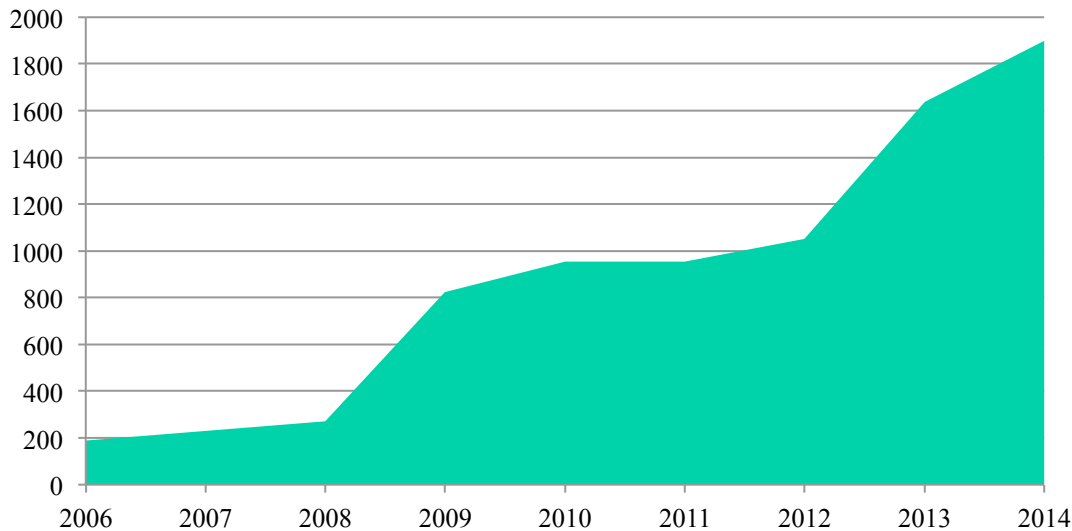


## □ AFD's environmental finance toolkit

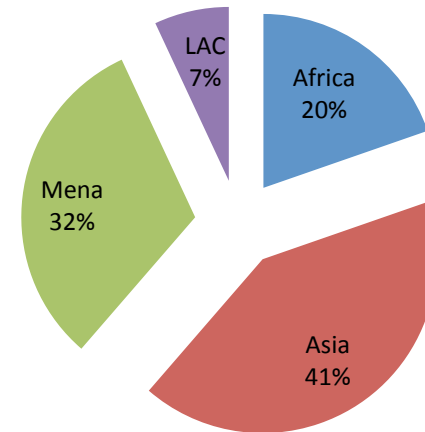
- **Credit lines** with terms & conditions tailored to target markets (rate, maturity, grace period)
- **Technical assistance packages** targeting various stakeholders
  - Typical activities: Awareness raising, tools for better decision-making, assistance in making project ideas bankable, building-up management capacity, result monitoring, ...
  - Funding: comparative financial advantage of soft credit line or grants
- **Risk sharing schemes** (ARIZ partial risk guarantees, co-financing of larger deals)

# The SUNREF Initiative: key figures

## SUNREF Commitments (MEUR loans)



## SUNREF Geographical Distribution



**€ 1.9 billion loan and € 65 million subsidy committed (2006-2014)**

**Average leverage effect (budgetary subsidy/total investment): around 15**

- **Supporting the green and climate change strategies of the banking sector, aligned with public policies**
- **Structuring local intermediaries, banks and stakeholders, through expertise and incentives to gain autonomy and experience**
- **Mitigating the credit risks of green investments through financial intermediation**
- **Leveraging external financing (grants and soft loans)**
- **Outperforming the traditional project-based access modalities for green and climate change investments**