

EaP GREEN
Partnership for Environment and Growth



UNECE



Roundtable on Financing Resource Efficient and Cleaner Production Investments in Small and Medium Sized Enterprises in Georgia and the EaP countries

Wednesday 26th April 2017, 09:00 – 18:00

Tiflis Palace Hotel, Vakhtang Gorgasali Str. # 3, Tbilisi, Georgia

Background

Notwithstanding the well documented cost savings of RECP measures, manufacturing companies, in particular small and medium sized enterprises, often report difficulties in mobilizing finance for identified investments. This has been due to many factors. For example, for many SMEs credit conditions deteriorated in the aftermath of the global crisis, exacerbating the effects of long-standing challenges, such as information asymmetries, lack of collateral and a higher credit risk for SMEs compared to large firms.

As part of the EU-funded project Greening Economies in the European Union's Eastern Neighborhood (EaP GREEN) efforts have been made to explore possible ways to bridge the gap between RECP assessments and RECP investments and leverage funding for the transition towards a green economy. With support from the Development Bank of Austria a first EaP GREEN national roundtable on RECP financing in Georgia was organized on 24th March 2015 in Tbilisi. Representatives from financial institutions, business and government sectors who participated in the Roundtable discussed the business potential of RECP investments and identified practical ways forward for mobilizing financing for RECP investments in the country.

Following the workshop a number of follow-up activities were conducted in 2016-2017 with the objective of enhancing the RECP financing in Georgia, including:

- A study by a local expert exploring existing funding mechanisms in the country which could be potentially applied for financing RECP projects in SMEs;
- An in-depth techno-economic and environmental assessments of RECP options and pilot RECP project proposals for 7 companies including financial analysis of the proposed investments;
- Consultations with the companies and local banks to finance and implement the proposed RECP pilot projects;
- A survey of SMEs participating in the RECP demonstration project to learn about the companies' attitudes towards financing RECP activities.

Purpose of the workshop

A second Roundtable on RECP Financing in Georgian SMEs, that will be organized on 26 April, 2017 in Tbilisi, aims to address possible ways to bridge the gap between companies and financial institutions for financing and implementing RECP activities including adaptation and adoption of innovative RECP technologies.

In the first part of the workshop, representatives of the UNIDO-led EaP GREEN Demonstration Project will demonstrate the economic benefits and financial returns of the RECP pilot projects, discuss the opportunities for and barriers to financing RECP projects in Georgia, and identify ways to enhance RECP financing in Georgian SMEs.

The second part of the workshop will allow sharing experience and knowledge among the EU Eastern Neighborhood Countries about the barriers and opportunities for enhancing the financing of RECP (green) investments in the region.

The audience of the workshop will include representatives of the demonstration companies participating in the UNIDO project, international and local financial institutions, representatives of the ministries of economy and environment, project Steering Committee members, business associations, NGOs and academia. National Coordinators of the UNIDO RECP Demonstration Project and RECP experts from 6 beneficiary countries, national RECP experts from Georgia, representatives of UNIDO, and international donor organizations will participate in the workshop.

Key issues:

- What are the barriers for SME to apply for eco/green loans?
- Which international and national financial institutions, including commercial banks, provide financing for RECP/green activities including energy efficiency projects;
- What type of projects are financed by the financial institutions;
- What are the loan conditions (interest rate, loan repayment period, collaterals, subsidies by international financial institutions) offered to SMEs for green investments;
- What are the risks for companies to borrow money for green activities and for commercial banks to provide funds?
- What needs to be done to bridge the gap between SMEs and financial institutions to up-scale the financing of RECP investments?

Provisional Agenda of the Roundtable

26th April 2017

9:00-9:30	Registration	
9:30-9:45	<p>Opening and welcome remarks</p> <ul style="list-style-type: none"> • Ministry of Economy and Sustainable Development • European Union Delegation • UNIDO • OECD 	<p>TBC</p> <p>Carolina GONZALEZ Industrial Development Officer</p> <p>Nelly PETKOVA</p>
Session 1: The Business Case for Resource Efficient and Cleaner Production in Georgia		
9:45 - 10:00	Presentation of the overall economic and environmental benefits of RECP measures as identified through the assessments in the demonstration companies	Malkhaz ALDEISHVILI, National Project Coordinator
10:10 - 10:20	Presentation of RECP pilot bankable project proposals developed under the UNIDO RECP project	National RECP experts (Tengiz JISHKARIANI) and RECP financing expert (Ana CHORGOLASHVILI)
10:20-10:40	Presentation of results of the study on Financing Green Investments in Georgia (RECP financing expert)	Georgia RECP financing expert, Ana CHORGOLASHVILI
10:40-11:00	Financing SMEs in EU/OECD countries	Marko VAN WAVEREN, International Expert on Financing
11:00-11:15	Coffee break	
Session 2: Learning from Experiences in Energy and Environment Lending		
11:15 - 11:45	Green Investment portfolios and requirements for providing funds for green investment	Representatives of local banks e.g. ProCredit Bank, TBC Bank
11:45- 12:20	Green and SME financing mechanisms and programs in the EaP Region	EU programs, EBRD and EIB, ADA
12:20-12:45	Role of Government support to green financing: cases of Georgia and EaP region	Ministry of Economy of Georgia (TBC); Nelly PETKOVA, OECD
12:45-13:00	Questions and Answers session	Moderator Malkhaz ADEISHVILI
13:00 – 14:00	<i>Lunch break</i>	
EaP country experience		
14:00-14:10	UNIDO Survey on RECP Financing	Tatiana Chernyavskaya, International Project Coordinator
14:10 - 15:20	Armenia, Azerbaijan, Belarus, Moldova, Ukraine	Presentations by country experts
15:20 – 15:40	<i>Coffee break</i>	
Session 3: Ways Forward		
15:40 - 17:00	Roundtable Discussion on opportunities and barriers for financing the RECP projects in Georgia and other EaP countries and identify ways to enhance RECP financing for SMEs.	Facilitated discussion Moderators: Marko VAN WAVEREN and Nelly PETKOVA
17:00-17:30	Closing remarks and next steps	Carolina GONZALEZ, UNIDO Industrial Development Officer

