

# meetMED II - Access to Finance

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*“Before you speak, listen.  
Before you write, think.  
Before you spend, earn.  
Before you invest, investigate.  
Before you criticize, wait.  
Before you pray, forgive.  
Before you quit, try.  
Before you retire, save.  
Before you die, give. “*



William Arthur Ward  
1921 -1974

## Access to Finance

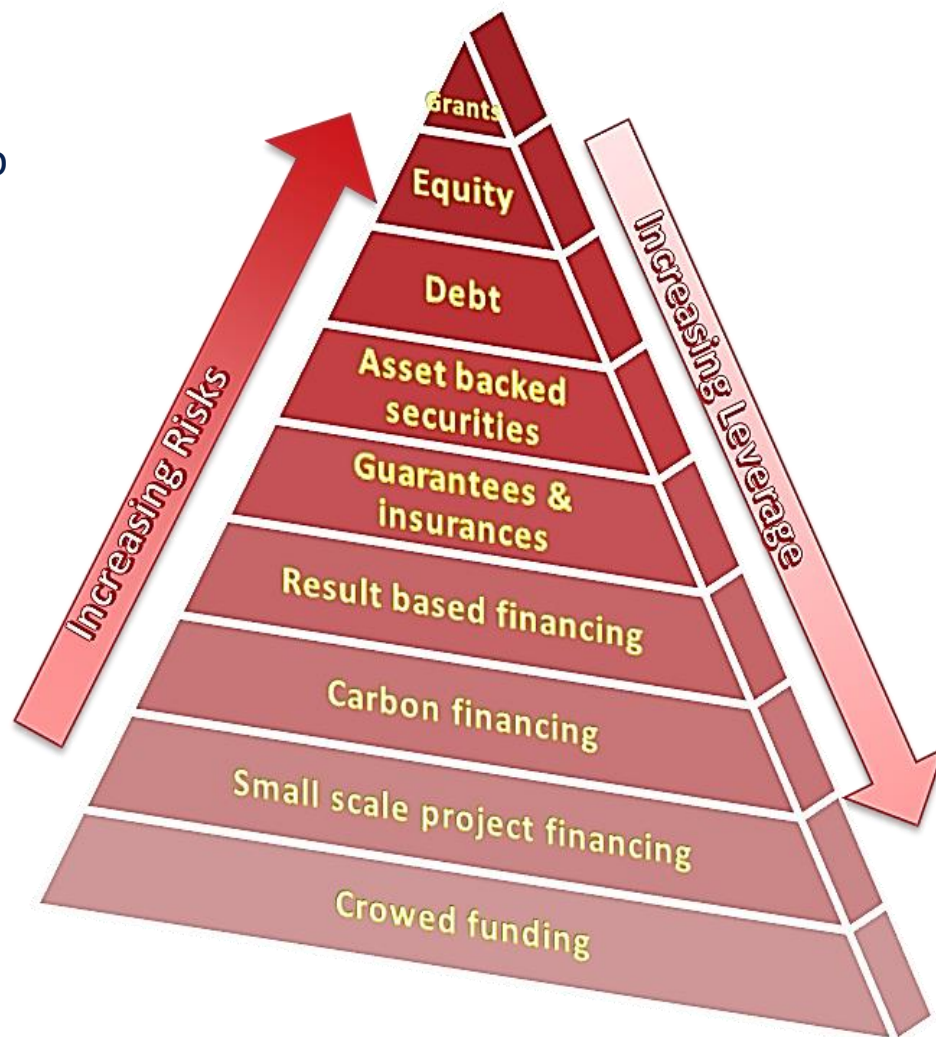
It is the ability of individuals or enterprises to access and obtain financial services.

Sustainable energy solutions can be financed using a **variety of schemes**, from grants to concessional debt and equity to purely commercial debt and equity.

Various financing instruments can be distinguished by both:

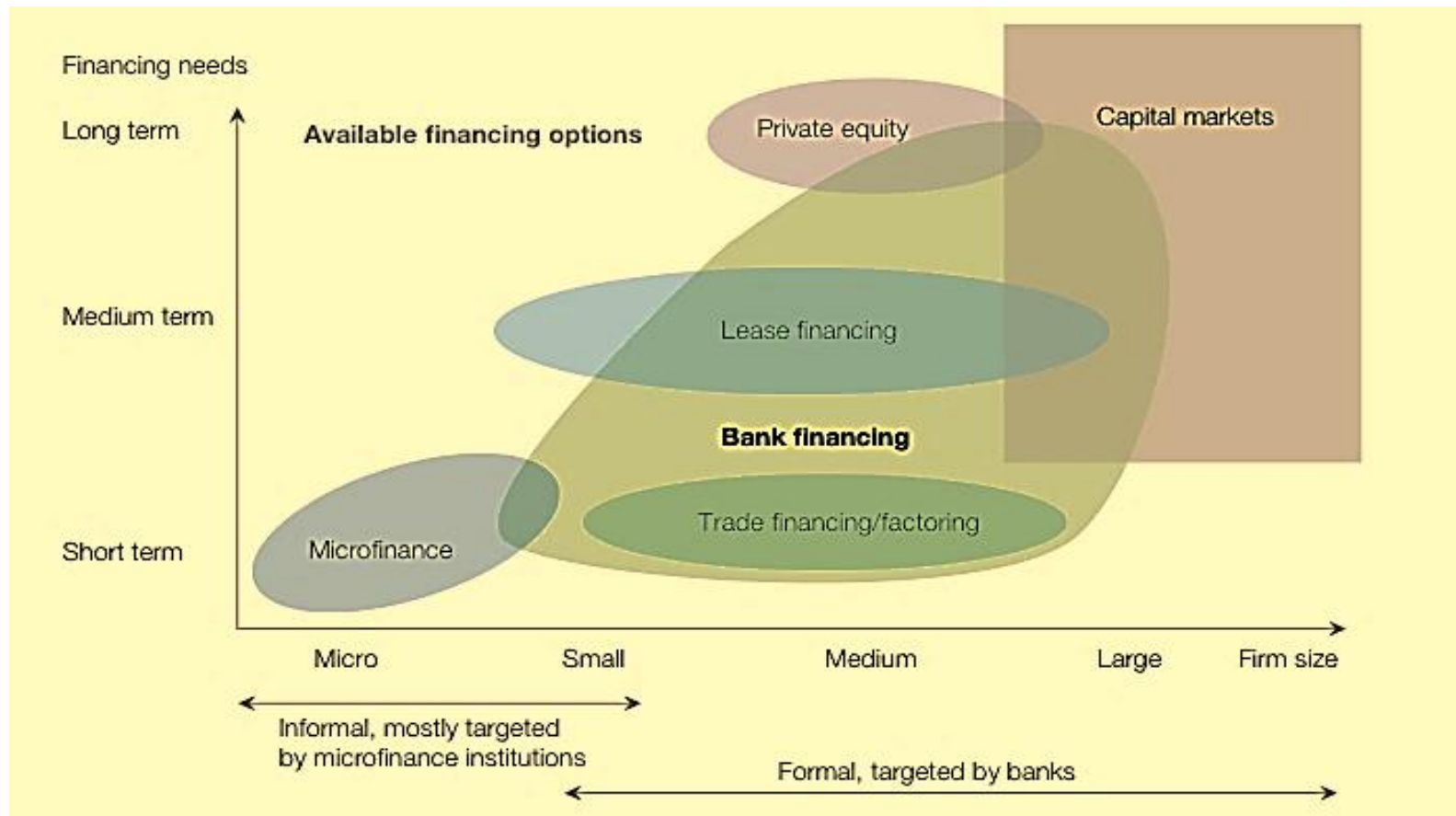
the **level of risk** assumed by the entity funding the instrument concerned,

The **level of leverage**, i.e. the extent to which specific funding mobilizes other sources of finance involved.



## Access to Finance

Different needs, different products, different providers

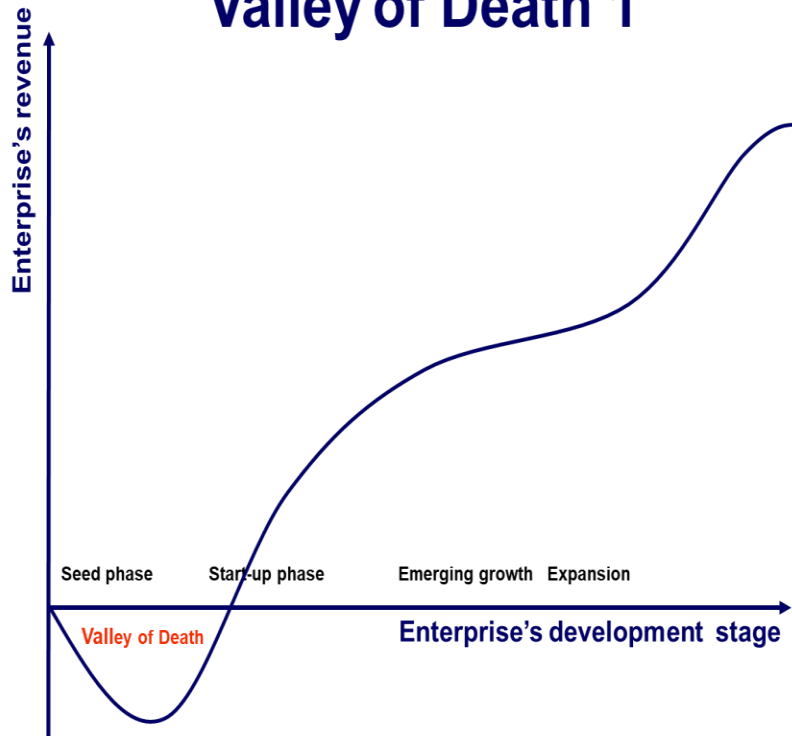


Source: TBSD Training, Access to Finance, EC.

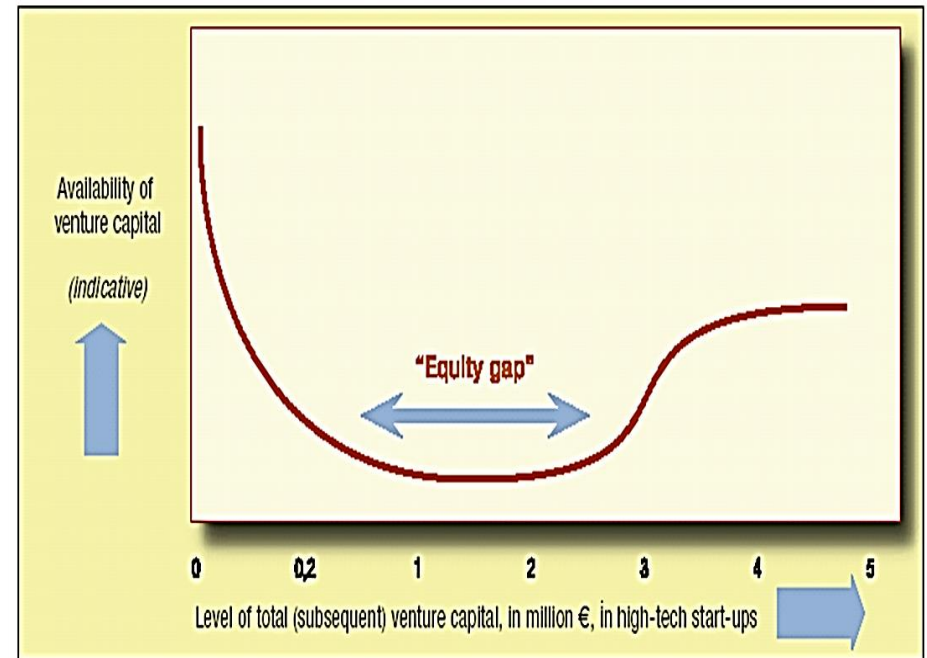
## Access to Finance

Different needs, different products, different providers

### Valley of Death 1



### The Valley of Death 2



Source: NVP, European Commission and external consultations Ministry of Economic Affairs.

# meetMED II Access to Finance (WP5) Objectives

- The objective of meeMED Work Package 5 is **to facilitate access to finance for efficient buildings and equipment** through
  - facilitating **dialogue** between banks, financial partners, institutions, public and private operators,
  - improving the **visibility of existing funds**,
  - creating **innovative mechanisms for funding** projects in this field (buildings & appliances).
  - **assisting project holders** to get **access** to finance with a focus on public buildings, tertiary, and industrial sectors.

## Key Intervention Areas

**Finance  
Business Models**

**MED-SEI Forums  
and Finance  
Round Tables**

**Webtools for  
Project Owners**

**Training  
Modules for  
Banks**

Key  
Deliverables

## Finance Business Models

Financing  
capabilities  
guidebook

Design of 3  
effective  
business  
models for  
appliances  
and  
buildings

Report on  
climate  
innovative  
finance

4 capacity  
development  
activities

4 events  
with IFI's  
and other  
actors on  
business  
models



Key  
Deliverables

## Webtools for Project Owners

Mapping  
existing  
tools and  
guidelines

Stocktaking  
of ongoing  
initiatives,  
incentives,  
etc.

National and  
regional  
consultations

Webtools /  
Platform  
conceptual  
design

Deployment  
and  
marketing  
of webtools

Key  
Deliverables

## Modules for Banks

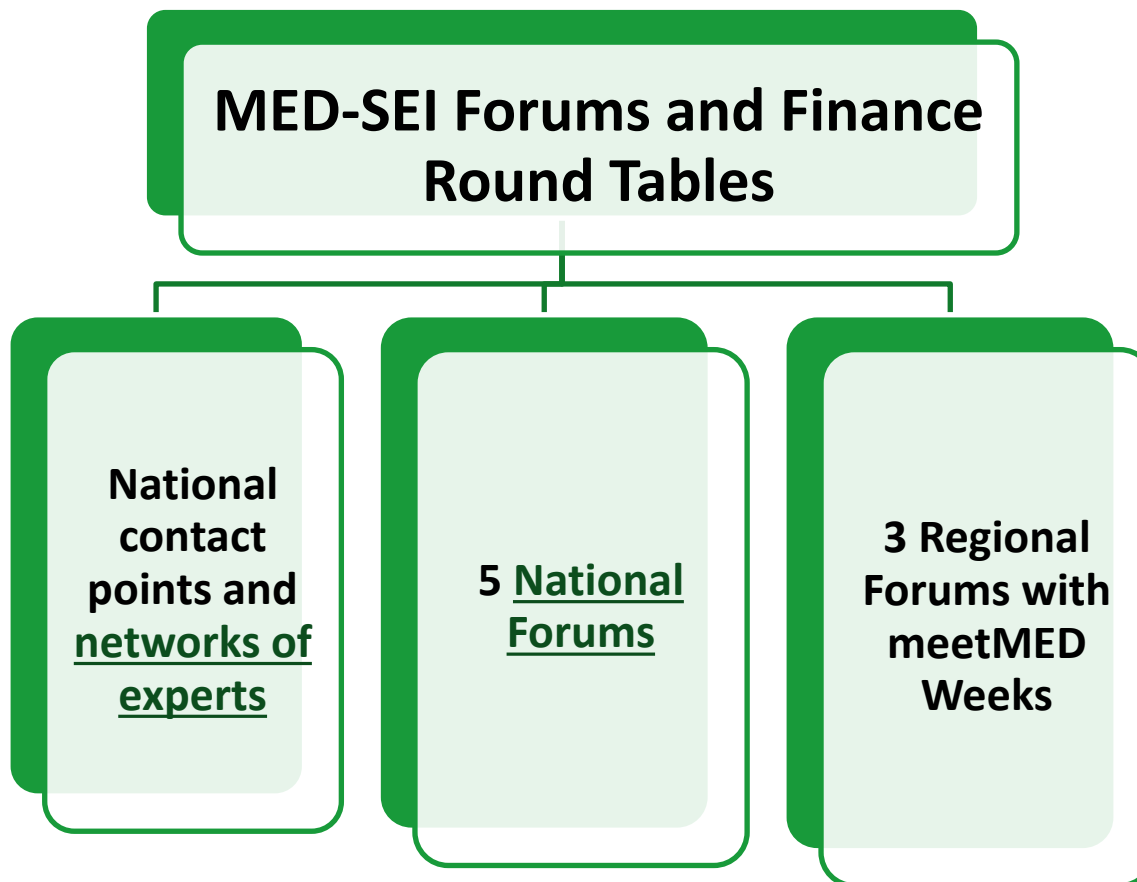
Training module  
development on  
“EE Labels and  
MEPs”

Training module  
development on  
“Green  
Buildings”

Training module  
development on  
“New and  
Innovative  
Financing  
Schemes”

4 Capacity  
development  
programs in 4  
countries

**Key  
Deliverables**



## Key Messages from the meetMED Week



[https://meetmed.org/wp-content/uploads/2022/05/MMW2022\\_Key-Messages.pdf](https://meetmed.org/wp-content/uploads/2022/05/MMW2022_Key-Messages.pdf)

*“Energy Efficiency First! as the main principle for the Mediterranean region”*

Key take-away messages were defined during the event, and a “**meetMED Letter of Intent**” was endorsed during the Closing Session.

It provides strategic elements, in the form of **key messages** on the pathway to the COP27, for a meetMED II project’s common position for the decarbonization of the Mediterranean area.

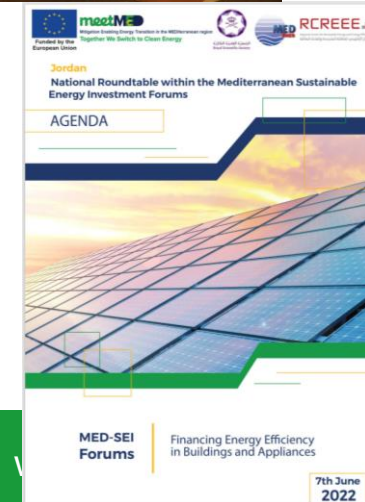
They are defining a virtuous circle to plan and design new **policy measures**, find how to **finance** them in a cost-effective way, **implement** them and provide good practices for the building and appliances sector, and finally **monitor** them through quantitative indicators, thanks to the methodologies and guidelines able to assess their **impacts**, to better understand how to **scale up, adapt and replicate** them in different contexts.

## Main takeaways from the first three events – CHALLENGES

- Slowness of the process of energy systems transition due to the strong **structural dependence on fossil fuels** combined with the persistence of public subsidies for petroleum products.
- Shrinking room for maneuver (the **State is the main actor**, a leverage effect is needed)
- A still **limited attractiveness of climate finance in EE in building Sector** due to the preference of financial markets for investments with higher short-term returns combined with a very low mobilization of private financing.
- Complexities of climate finance** mechanisms.
- A **non-binding regulatory and normative frameworks** (low cost of fossil fuels, non-internalization of the ecological and social impact in terms of costs)
- There are very good studies, pilot projects, initiatives, and then **limited scaling up because of the issue of equity gap (= Valley of Death)**.
- The access to finance faces collateral issues, notably in **ensuring that the funds are available, that banks understand EE, and that all the stakeholders speak the same language**.
- A Lack of clarity on the definition of fundraising activities: a **common taxonomy is needed** for all actors to speak the same language;

## Main takeaways from the first three events

- ❑ EE is possibly embedded in the DNA of national strategies in most of the Countries addressed in meetMED but we need more **change agents** and **enabling eco-systems** in terms of tools, incentives, contractual templates, qualification schemes, etc. to scale up energy efficiency investments.
- ❑ Engagement of **local banks and local financing institutions** is a key to success in reaching a wider segment of beneficiaries
- ❑ National **central banks** and **bank associations** should be part of the process, favoring green financing
- ❑ **Blended financing** is becoming mainstream, but innovation is needed to localize the financial solutions
- ❑ **De-risking** investments is a **joint responsibility** among IFIs, National Authorities, Banks and other stakeholders



# Thank You



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