

Renewable Energy and Energy Efficiency- Innovative policies and financing instruments for the EU's southern and eastern neighbours

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Session 3: Innovative financing tools

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- Triodos Bank :
 - Fully licensed private bank, established 1980, offices in Netherlands, Belgium, UK, Spain and Germany
 - Ethical business principles (investments in renewable energy, organic farming, culture, social sector, microfinance) ; decent profit
 - Pioneer and innovative: first bank involved in tax – beneficial Green Fund and Culture Fund in the Netherlands
 - Over EUR 3 billion in assets under management (balance sheet bank and dedicated funds)

- Triodos Investment Management :
 - Investment banking division of Triodos Bank NV
 - Microfinance since 1994 through 3 funds-> actual portfolio 60 organisations in over 30 countries
 - Renewable energy : at present in Europe through branches and dedicated funds, for developing countries through Triodos Renewable Energy for Development Fund (with origin in the 90s)
 - Since late 2005 : establishment of Global Energy Efficiency and Renewable Energy Fund (GEEREF) together with E+Co

- GEEREF :
 - Draws on Patient Capital Initiative launched by European Commission in 2004 in context of JREC
 - Innovative fund-of-funds, SICAV-structure in Luxembourg, to be established this year
 1. Focus on developing countries and economies in transition
 2. Objectives : (i) increase access to low carbon, secure and affordable energy , (ii) help to improve economic and social circumstances of underserved, (iii) encourage sustainable development, whilst (iv) promoting the protection of the environment
 3. Investment money (more than EUR 110 million committed already, incl EUR 80 million from EC and EUR 24 million from BMU) plus development support facility
 4. Investments (primarily equity and semi-equity) in funds in developing countries and economies in transition, targeted on renewable energy and energy efficiency ; active role in establishing funds ('first mover') and setting standards for reporting, structuring and governance
 5. Providing risk capital which is crucial for development ; strong catalytic role in capital mobilisation at fund and projects level
 6. Ultimate target groups are small renewable energy projects and small and medium sized energy efficiency companies

7. Significant environmental and social returns : greenhouse gas savings, additional installed capacity of clean energy, higher number of people served, oil replacement
8. Public investors willing to take higher risk and accept lower returns in order to accommodate private investors
Realistic financial return expectations : public: investment -> recovery;
private -> targeted at 4%
9. Broad technological scope for technologies with proven track record
10. International standards and local expertise
11. Innovative public-private partnership
12. Perfect match of action and innovation !