

### Project Fact Sheet- IFC

<b>Project Title</b>	<b>Industry Specific Study on Energy Efficiency Finance, Renewable Energy Potential for Financial Institutions (FIs) in Bangladesh and Nepal</b>
<b>Project Period</b>	<b>Dec 9, 2010 – Jun 8, 2011</b>
<b>Donor</b>	<b>International Finance Corporation - South Asia Enterprise Development Facility (IFC-SEDF)</b>
<b>Project Background</b>	The industry sectors in Nepal are one of the major sources of pollution and inefficient energy use. Nepal suffers from inadequate investment in the energy efficiency (EE) improvement and renewable energy (RE) in the industrial sector. Hence International Finance Corporation - South Asia Enterprise Development Facility (IFC-SEDF) has taken initiative to conduct a concrete Market Study to understand the current EE and RE potential of Nepal where Financial Institutions (FIs) can invest. For this study Frankfurt School of Finance and Management (FSFM) (Germany) is the lead firm and has associated with Winrock International (Nepal) as local market expert, for technical assistance and market analysis.
<b>Projective Objective</b>	The main objective of this study is to estimate the investment potential for EE and RE projects as well as energy savings and RE potential in the selected sectors. The estimation process has two distinct components: 1) Estimate energy savings and RE potential, and 2) Estimate investment required to achieve this potential.
<b>Activities/Components</b>	<ul style="list-style-type: none"> <li>• The study team collected all data relevant to the study through secondary sources of information. The data thus collected was supplemented by data obtained through primary interviews with industrial units, banks, representatives of chambers and industries, research institutions, EE/RE equipment vendors and sector experts.</li> <li>• For the purpose of this study, 10 industrial sectors and 11 financial institutions were identified and interviewed. Various stakeholders, viz. representatives of chambers and industries, business leaders, research institutions/universities, consulting companies, vendors, government institutions, and experts were also consulted. The interviews with primary contacts was provided due priority, as statistical analysis was not appropriate for this study.</li> <li>• The possible EE and RE options were identified for ten industrial sectors as: a) No cost / low cost options, b) Medium cost measures, and c) High cost options.</li> <li>• The study identified the energy saving potential and analyzed the data and prepared estimates of energy saving possibilities (quantities) for each of the sectors. The study also proposed various financing mechanisms that could be used by banks for lending to EE and/or RE projects viz. Corporate Financing/Consortium Financing, Project Finance, Revolving Fund, Guarantee Fund, Cluster Financing, and Quasi Equity Financing.</li> <li>• This study also covered analysis of present government policies related to industries, energy and finance through secondary sources of information.</li> </ul>
<b>Accomplishments</b>	<ul style="list-style-type: none"> <li>• The final report was prepared, incorporating all the comments and suggestions received from the FSFM and IFC, and submitted to IFC-SEDF.</li> </ul>