

# The **G** Business Week Georgian

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## **POPULATION OF GEORGIA HAS LOW AWARENESS OF ENERGY EFFICIENCY PROJECTS**

Alexander Antonenko, expert in energy policy and policy of stimulating renewable energy and energy efficiency of INOGATE project; announced about this in his talk with GBW. In his words, each country should spend resources on energy efficiency, because annually CO2 outbursts into atmosphere keep increasing.

Mr. Antonenko says many entrepreneurs simply do not know that energy efficiency can really bring money, make commodity more competitive at the market. Another reason of low indicator of using energy efficient technologies is that the banks do not want to give credits for projects, connected with renewable sources of energy, as they don't understand how a company can return this money.

"When a company wants to take credit for energy efficiency or renewable sources of energy and comes to a bank, a credit officer not always understands how an entrepreneur is going to return earnings. At present, credits delivered by the international donors for energy efficiency are now cheaper and this is done to stimulate banks and to compete with other projects. Sometimes a bank gives credits for different projects under low rate of interests and for projects connected with energy efficiency and renewable energy, on the contrary, under high rate of interest, simply because bank does not know how to calculate risks. This, surely, scares potential receivers of ecocredits. If international finance institutions, e.g. *EBRD* gives such credit to a commercial bank, the INOGATE project experts train credit officers in this direction. On the whole, credit resources of donors for energy efficiency projects very often are not mastered by banks. That's why correct work is very important in direction of increasing awareness in this direction firstly of clients," considers Mr. Antonenko.

GBW asked Sascha Ternes ProCredit Bank director general to comment the expert's words. In his words, the bank plans to allocate financial resources in the amount of USD 5 million to finance ecocredits, but this is preliminary figure. He also mentioned that credit of this kind is issued by the bank from last August. Within ecocredits the resources are allocated, in particular, to buy and produce energy efficient materials.

Mr. Ternes says use of such product as ecocredit helps entrepreneurs to reduce negative impact on environment; it is also necessary for consumers as a means, which assists in efficient consumption of energy resources and sparing of resources.

Mr. Ternes supposes it should not be a problem for clients to get ecocredit. "We'll simplify and make more available for consumers this form of bank product. When the case concerns ecocredits, which promote and are directed to protect environment, this also influences our image and social responsibility of the bank, which we always position. I don't think we'll face problems in attracting the clients for ecocredits. Other commercial banks had problems in giving such credits, so we have studied within five years the potentials to introduce this product to the market of Georgia and we are now convinced that it will "work" and will bring great profit not only to entrepreneurs, but to the country on the whole," Mr. Ternes stressed.

*GBW note: INOGATE (Interstate Oil and Gas Transportation to Europe) is international cooperation program in energy sphere between EU and Turkey, Georgia and CIS countries, excluding Russia.*

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