



## WHAT IS THE RE LOAN GUARANTEE FUND?

The Global Environment Facility, through the United Nations Development Programme (UNDP) and World Bank (WB), established an RE Loan Guarantee Fund (LGF) to provide loan guarantees to developers of RE projects in remote off-grid locations availing of loans from reputable financial institutions. This is being implemented by the Philippine Department of Energy through the Capacity Building to Remove Barriers to Renewable Energy Development (CBRED) Project.

The LGU Guarantee Corporation (LGUGC) serves as the Program and Fund Manager for the LGF.

### Who is eligible for the Loan Guarantee Fund?

Institutional, as well as individual borrowers that have approved project loans for eligible RE projects may apply.

**The institutional borrowers**, should be legally existing in the Philippines with minimum ownership composition of 60% Filipino. The institutional borrowers could be as follows:

- Local Government Units
- Rural Electric Cooperatives
- Private Corporations
- Private individual project developers
- Non-government Organizations (NGO's)
- People's Organizations (PO's)
- Renewable Energy Technology (RET) Providers
- RE Suppliers
- Micro Financing institutions (MFI's, Coops, Credit NGO's, Rural Banks)\*
- Any duly organized group with juridical personality that has an approved project loan from any reputable financing institution.

*\* Provided the main project loan is not funded by the RE Micro Finance Fund of the CBRED Project*



For **individual borrowers**, the loan guarantee application can be coursed through an accredited financial institution or RET supplier for batches of a minimum of ten (10) households, provided the main project loan is not sourced from the CBRED Micro Finance Fund.

### What technologies are eligible for the Loan Guarantee Fund?

The RE LGF will give priority to the following:

- Hydropower (Pico-hydro, Micro-hydro, Mini-hydro)
- Biomass-based systems (Biogas, direct burning for power and non-power applications)
- Wind (power and non power)
- Geothermal (Waste heat recovery)

### What is the Guarantee Coverage?

The RE Loan Guarantee Fund will provide guarantee up to a maximum of 85% of the loan, but the guaranteed amount should not exceed P 20 M per project or per beneficiary.

