

NEEREA (& LEA) Green Loans

What are NEEREA and LEA loans, how to obtain them for your project, up to which extent, and how to overcome the challenges?

Expert Name: Melda Jabbour

Programmes Engineer

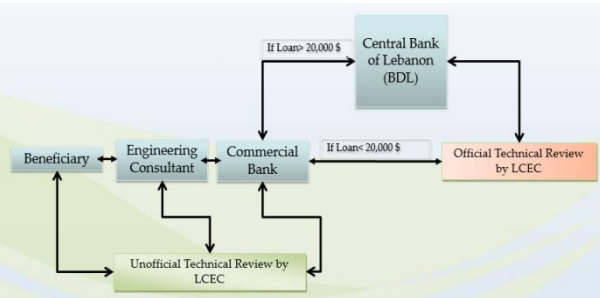
LCEC, Technical Support Unit

to the Central Bank (NEEREA)



Short Profile: Melda Jabbour holds a degree in Mechanical Engineering with a specialization in Renewable Energy and a focus on Building Integrated Photovoltaic (BIPV). With more than seven years of experience in the energy efficiency and renewable energy sectors, Ms. Jabbour is currently the Team Leader of the Technical Support Unit to the Central Bank of Lebanon at the Lebanese Center for Energy Conservation (LCEC).

Definition / Benefits	Constraints / Challenges / Barriers
<ul style="list-style-type: none">✓ NEEREA is a national financing mechanism initiated by the Central Bank of Lebanon in collaboration with the Ministry of Energy and Water, the Ministry of Finance, UNDP, the European Union (EU), and the LCEC.✓ Provides subsidized loans for any type of EE and/or RE projects to private sector entities (individuals, SME's, or corporate bodies).✓ Covers loans by any Lebanese commercial bank with around 1% interest rate and a repayment period of up to 14 years.✓ LCEC is the technical consultant to BDL, reviewing loan applications, and setting quality control criteria.✓ Investments of Millions of USD in the Lebanese market (EE & RE	<ul style="list-style-type: none">✓ Protecting the environment is a global challenge that requires global solutions.✓ NEEREA aims at the effective implementation of EE and RE projects in Lebanon by Lebanese commercial banks through offering both technical and financial support.✓ The challenge is to be able to coordinate all efforts among all stakeholders to succeed in the continuous implementation of NEEREA.✓ Finding a commercial bank willing to grant a loan on the basis of BDL Circulars.✓ Coordinating between commercial bank, project owner, consultant, supplier, contractor, LCEC.✓ Commercial banks guarantees.

<p>projects) financed by local commercial banks.</p> <ul style="list-style-type: none"> ✓ The success in implementing NEEREA is pushing international donors and investment agencies to repeat the NEEREA experience on a larger scale, probably in the range of few hundred million USD. ✓ Low interest rate comparing to regular loans. ✓ Immediate or quick return on investment. ✓ Reduce the capacity constraint investment. ✓ Mobilization of the banking sector. 	<ul style="list-style-type: none"> ✓ Only the private sector can benefit from these subsidies. ✓ EDL Cut-offs.
Best Practice / Solutions / Tools	Resources / local Availability
<ul style="list-style-type: none"> ✓ EE & RE. ✓ Templates, Guidelines, Memos. ✓ Datasheets and Quotations. ✓ Timeframe: 10 to 15 working days. ✓ Complete technical applications. ✓ Steps to be followed:  <pre> graph TD Beneficiary --> EC[Engineering Consultant] EC --> CB[Commercial Bank] CB -- "If Loan > 20,000 \$" --> BDL[Central Bank of Lebanon (BDL)] BDL --> EC BDL --> CB CB -- "If Loan < 20,000 \$" --> OTR[Official Technical Review by LCEC] OTR --> EC OTR --> CB UTR[Unofficial Technical Review by LCEC] --> CB </pre>	<ul style="list-style-type: none"> ✓ LCEC Support. ✓ LCEC website. ✓ LCEC documentation. ✓ BDL Circulars. ✓ LCEC Trainings. ✓ Developing awareness and capacity building activities among Lebanese Commercial Banks and end consumers. ✓ NEEREA is not only about financing, it is also about marketing, training, and motivating.