



Overhauling the Banking System to Unleash Financing Opportunities for Renewable Energy

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What can the Banking System Provide?

- Banks are awash with liquidity- Billions of Dollars;
- So one would think that credit is easily available;
- Not so; banks are reluctant to provide funding unless they feel that the project is viable.



What can the Banking System Provide?

- Two things that place a pause on the extension of funding:
 - Non performing loans, which in turn leads to a hit on capital; affecting CAR;
 - Protection of depositors



Can the Banking System be Unleashed to provide funding for renewable energy?

- Hinges on viability:
 - The bigger and well established energy producing firms may be able to make a case as other business lines could support the funding;
 - However the smaller firms (start ups) may not be defined as viable; unless they get a helping hand.



Can the Banking System be Unleashed to provide funding for renewable energy?

- Bigger and well established firms may themselves require a helping hand;
 - Tax incentives;
 - Additional capital injections;
 - State protection



Can the Banking System be Unleashed to provide funding for renewable energy?

- Smaller firms (start ups) may need a special hand up:
 - Venture capital (crowd funding);
 - Credit bureau
 - Partial Loan Guarantee Schemes;
 - Secured Transactions Framework (leveraging trade credit);
 - Special credit windows



Can the Banking System be Unleashed to provide funding for renewable energy?

- In order to extend credit, banks will need to ascertain viability;
- International vs Domestic banks
- Credit unions (perhaps syndicated loans)



Conclusion

The funding for renewable energy requires many actors, not only banks:

- Government
- Private sector
- Public acceptance



Thank You