



Ambasáid na hÉireann
Embassy of Ireland

Speech for the Irish Ambassador

GREEN ECONOMIC TRANSITION FACILITY (GETF) BUSINESS BREAKFAST LAUNCH

Date: Wednesday, 26th April 2023

Venue: BICC, Lilongwe, Malawi

Moni Nonse!

I am delighted to be here today for the launch of the **Green Economic Transition Facility**.

The Embassy of Ireland, is fully committed to supporting the Government of Malawi's climate goals.

Recent events in the South through Cyclone Freddy, and the North with both drought and floods, clearly demonstrate, not only the timeliness of these types of interventions, but also their critical importance.

As a government, Ireland is committed to the pledge we made at COP26 to provide at least €225 million per year in climate finance to developing countries by 2025. The ultimate goal is to double the proportion of Ireland's ODA that counts as climate finance by 2030.

Over past number of years the Embassy has invested climate finance partnering with government, development partners and other actors.

We see the GETF as a key evolution of our approach.

The Embassy has sought to innovate and champion this co-financing arrangement with private sector in Malawi in order to kick start sustainable investments towards the acceleration of alternative sources of energy and fuel efficient business solutions.

The focus under the GETF is to directly incentivise business solutions to the green transformation by partnering with SMEs and companies which have potential to grow and appetite to invest in alternative energy and fuel efficient products, technologies, services and business models.

Through such interventions we are confident that Malawian urban households will be motivated to move away from using unsustainable sources of cooking fuel, mainly the biomass which is currently leading to rapid depletion of Malawian forests.

The GETF, Window 1, titled '***Accelerating Alternative Sources of Energy and Fuel Efficient Solutions***', is unique in that it is focused around a single country and mainly the urban centers of Malawi.

We believe that this focus will help in catalyzing private sector led solutions in a robust and focused manner. The GETF itself will bring other donors and development partners to fund initiatives that we hope will accelerate the green growth of Malawi's economy.

Central to the concept of the GETF is the de-risking and backing of innovative ideas in alternative sources of green energy solutions that have been perceived to be too risky, behaviorally difficult to pursue by private sector, or as having too low a financial return to go ahead on purely commercial terms, but which can have some development impact - in terms of environmental and social impact to the Malawian economy.

Thus, this financing instrument is aimed at supporting the ambitions of those private sector players who are willing to develop commercially viable green business solutions which if successfully carried out will lead to big environmental and social impact in terms improvement in income for the poor and as well as job creation. As you will notice, the key word is '***green.***'

We believe that the GETF, Window 1, will result in new transformative alternative sources of energy for urban households in Malawi. This could be brought about in many ways of new technology, services, information, or devising entirely new forms of products, services and processes in the green energy sector.

It is important to note that the GETF, will be aiming to back specific projects, not firms per se. We are therefore not competing with the financial sector; which firms should continue using as the primary mechanism for financing businesses. The aim of GETF, Window 1, is to help de-risk green energy projects and therefore help businesses leverage more financial resources from commercial financial sources.

The new instrument is also designed in a manner where some risk is borne by the applicant company, either alone or in partnership with other businesses, NGOs or community based organizations. The GETF can provide incentives in the form of some capital and technical support; but firms must at the very least match the contribution of the fund and have capacity to execute the proposed alternative energy and fuel efficient business solution.

I would like to stress that the GETF, aims to minimize bureaucracy. The procedures to apply for support will be transparent and simple, and the fund will not require lots of form filling. A well prepared concept note through submission of Expression of Interest of around four pages (maximum) will be enough to get the process moving.

I believe the creativity and innovativeness of the private sector in this country will lead to the implementation of both interesting and successful projects that will make a real environmental and social impact.

I join my colleagues in the United Nations Development Programme in encouraging businesses to apply for the financing through GETF, and hope that in the years to come, Malawi produces some alternative green energy and fuel efficient solutions **success stories** by transforming the lives of poor people particularly women and the underprivileged in urban centres.

Zikomo Kwamberi