

Regional Energy Savings Insurance and Risk Management Program (ESI)

Sustainable Energy Investment webinar on
Financing Energy Efficiency in the Industry
Sector



ESI in the Region

- Lines of credit from international sources in **Colombia** (CTF), **Mexico** (CTF) and **El Salvador** (GCF)
- 3 local lines of credit in **Brazil**
- Lines of credit under definition in **Chile**, **Nicaragua** and **Peru**
- Upcoming financing from GCF in **Argentina** and **Paraguay**



Partners

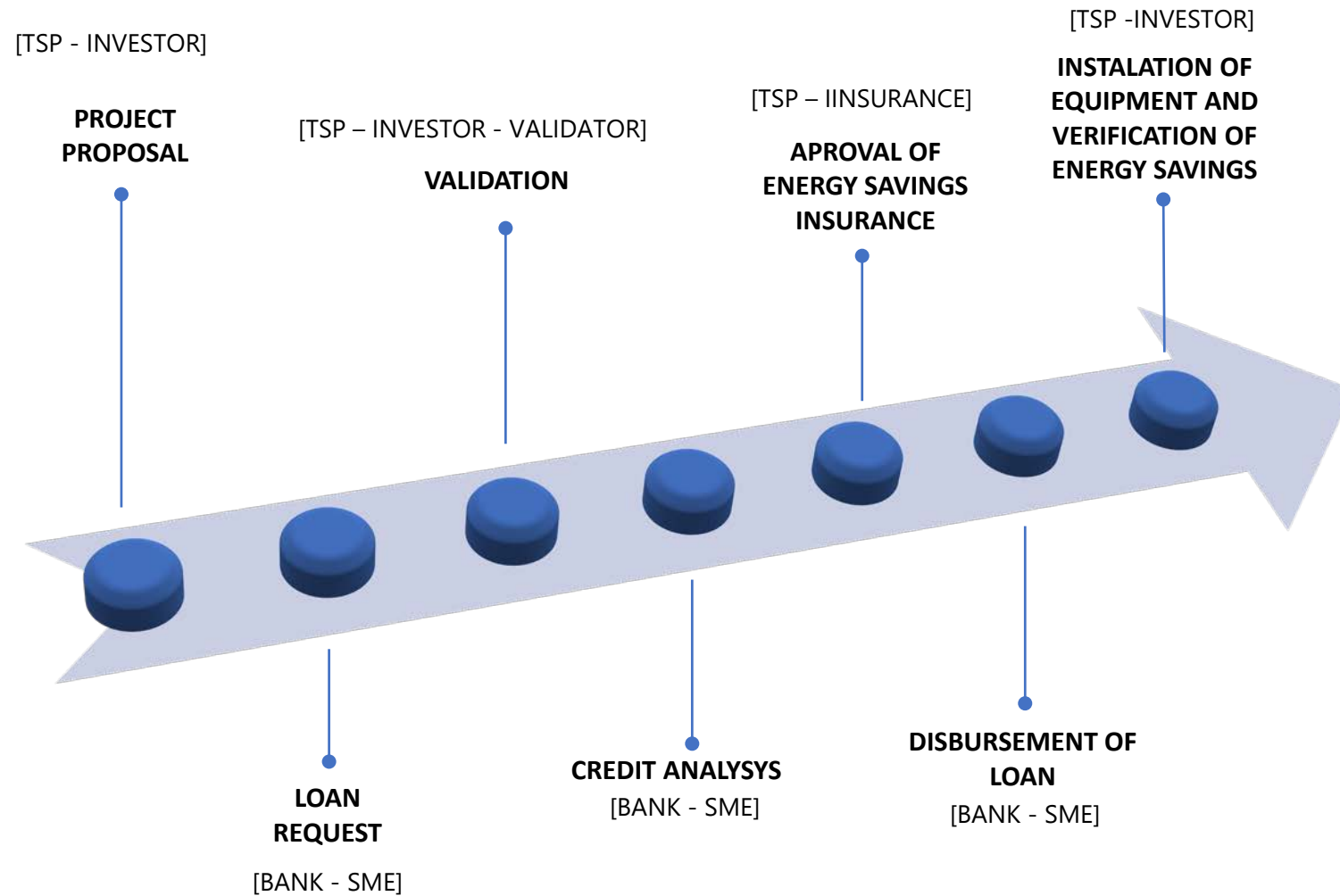
Insurance companies



Validating Entities

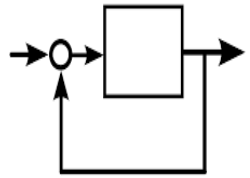


How does ESI works?



Validation - Methodologies

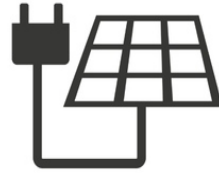
Standardized for a set of technologies and easily replicable



Control Systems



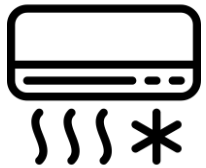
Multitier



Photovoltaics



Solar water heater



Air conditioning



Boilers



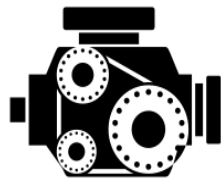
Lighting



Heat exchangers



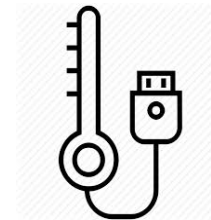
Industrial Refrigeration systems



Motors



Compressed Air Systems

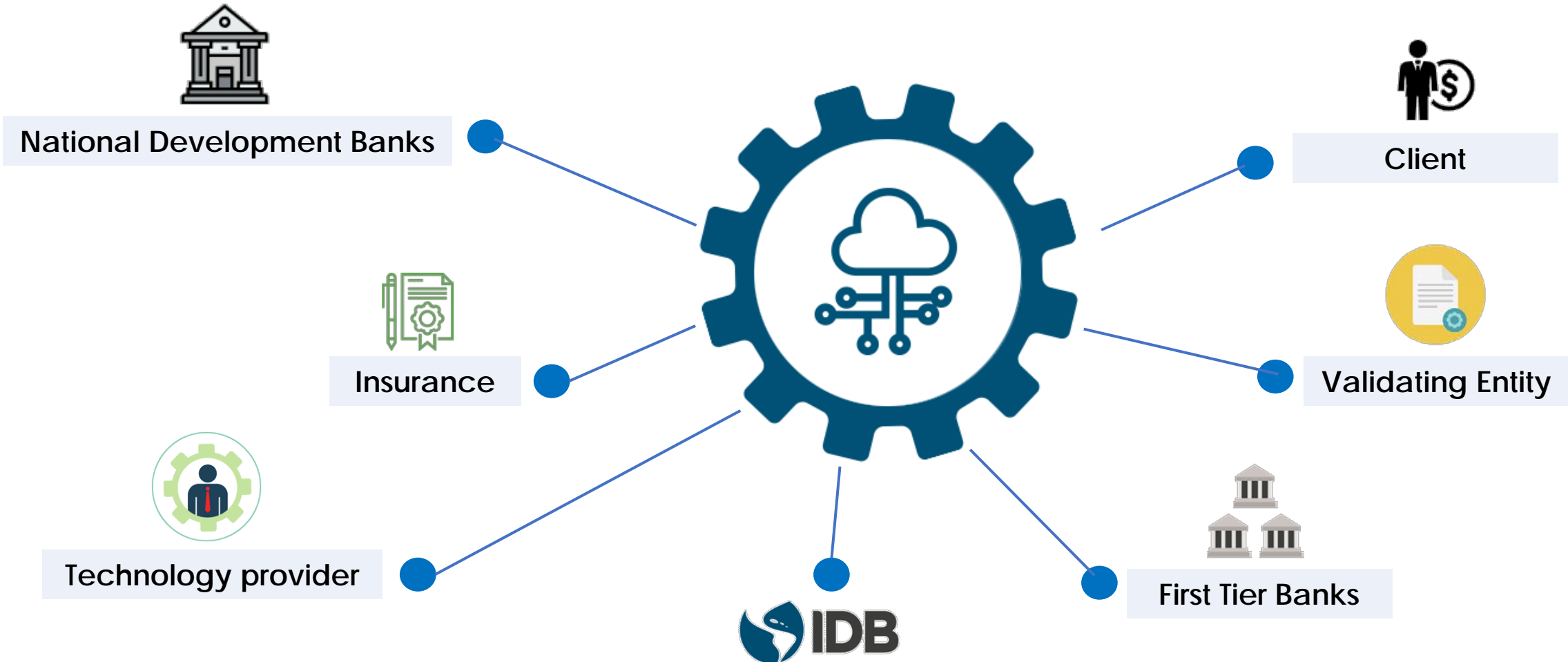


Cogeneration



Information System

Tool to keep track of technical status of the project/loan



Case study Colombia

Hotel Neiva Plaza - Colombia

- Replacement of old boiler by a solar water heating system of 600 l/day capacity
- Total Investment: Aprox USD40K
- Energy Savings: 70% vs the baseline scenario
- Payback. Less than 3 years



Case study Colombia

Stakeholders

- Investor. Neiva Plaza. 4 star hotel. 87 rooms
- TSPs: Local Company. Más Centígrados
- Insurer. SURA
- First Tier Bank. Banco Davivienda
- Line of Credit. Bancoldex - NDB
- Validator. ICONTEC



On going efforts

- Promoting simplification of procedures
- Evolving from a standard package to a modular set of instruments
- Enhancing capacity of LFI
- Establishment of national forums to promote further replication in more sectors and technologies
- Engagement of local and international technology providers with strong financial as well as technical capacity
- Access and structure loan resources for individual NDBs through multilateral and bi-lateral climate funds
- Further engagement of international insurance companies
- Partnerships for further global replication

Knowledge Sharing

Web platform to promote knowledge sharing regarding ESI instrument

www.greenfinancelac.org



GFL

Green Finance for
Latin America and the Caribbean

Promoting
Sustainable Instruments
for Development

[Home](#) [About us](#) [Our Initiatives](#) [Resources](#) [Projects Map](#) [Events](#) [News](#) [Related Initiatives](#) [LAB](#) [Contact us](#) [Log In](#)



ESI

Energy Savings
Insurance Program

The Energy Savings Insurance (ESI) Program overcomes barriers to investment in energy efficiency (EE) through the implementation of risk mitigation instruments.

Its innovative approach is to provide an insurance product that covers projected energy savings for specifically defined and verifiable EE measures as agreed upon in a standard contract between small and medium sized enterprises (SMEs) and technology services providers (TSPs). Its risk-sharing mechanisms compensate firms in the event that promised financial flows associated with EE savings are not realized.

With its mechanisms deployed, ESI enhances:

- i) Potential private sector investors to feel confident that their EE projects will generate enough energy savings to pay for the loans assumed and eventually make a profit.
- ii) Local financial institutions become more aware of the real risk and returns associated with these projects and hence increase their willingness to finance them.



Thank you!

Maria Netto
Financial Lead Markets Specialist
Connectivity, Markets and Finance Division
Inter-American Development Bank (IDB)
mnetto@iadb.org

