

# INNOVATIVE FINANCIAL INSTRUMENTS TO SUPPORT ENERGY EFFICIENCY:

Experiences from Financial Institutions  
in Latin-America and Asia-Pacific Regions



## AGENDA

**November 15 - 16, 2016**

**ALIDE offices, Paseo de la República 3211, San Isidro, Lima, Perú**

This event aims to promote a dialogue and exchange of experiences among Financial Institutions from Latin America and the Caribbean (LAC) and the Asia - Pacific (APAC) regions about the challenges and opportunities for private investments in energy efficiency to mobilize and deploy adequate and effective financial resources to achieve a low-carbon, climate-resilient development.

### Day 1 - Tuesday, November 15

**8:00 am | Participants Registration and Reception (Meet and Greet)**

**9:00 am | Opening Ceremony**

- **Masami Yamamori**, Jefe de Operaciones, Banco Interamericano de Desarrollo (IDB)
- **Edgardo Alvarez**, Secretary General, Latin American Association of Development Financing Institutions (ALIDE).
- **Carlos Paredes**, CEO, Corporación Financiera de Desarrollo (COFIDE)

**Opening Remarks:** Innovative financial instruments for supporting Energy Efficiency investments and the role of IFDs, **Maria Netto, IDB**



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## 9:45 am | Session 1: Innovative Instruments for EE Financing for SMEs

*This session will explore the real and perceived barriers that SMEs have in terms of the financing of EE upgrades, as well as, the existing opportunities and co-benefits associated with the investing and implementation of EE in developing countries.*

**Moderator:** Daniel Magallon, BASE Energy

### **Presentations:**

- Opportunities and barriers to finance EE in SMEs – Energy Savings Insurance (ESI) model - **Esteban Suárez, IDB**
- Promoting EE in hotels and tourism sector - **Fernando Hoyo Oliver, Bancomext (Mexico)**
- Promoting EE for the service sector - **Doris Arevalo, Bancoldex (Colombia)**
- Energy Efficiency Financing for SMEs in China - **Xiaochen Zhang, SMEs Financing Network (China)**
- Experience with SME Finance and Green Finance Initiatives in Korea - **Kyong Ran Seo, Industrial Bank of Korea (IBK), (Korea)**

*Q&A session*

### **Guiding questions:**

- \* *What are the main challenges and risks to finance EE projects to SMEs? (Energy prices, policy, risks?)*
- \* *How to mitigate those risks?*
- \* *What are the elements of effective and attractive EE credit lines for SMEs?*
- \* *What is the market potential of EE in SMEs?*

## 11:00 am | Coffee Break



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## 11:30 am | Session 2: Innovative Instruments for EE Financing in buildings

*This session will showcase some concrete experiences of financial institutions working with blended funds supporting EE in the building, tourism and service sectors through technology upgrades.*

**Moderator:** Daniel Magallon, BASE Energy

### **Presentations:**

- Promoting EE in Mexico - **Ana Lucía Pereyra, Sociedad Hipotecaria Federal -SHF (Mexico)**
- Residential Solar PV Lease and Energy Efficiency ESA with PosiGen - **Bryan Garcia, Connecticut Green Bank (USA)**
- Promoting EE for housing – **Hernando Carpio Montoya, Mivivienda (Peru)**
- BancoEstado committed to Energy Efficiency - **María Elena Marcelli Gimenez, Banco Estado (Chile)**
- EE in public buildings and hotels - **Christiaan Gischler, IDB**
- EE financing in buildings – **Mauricio Torres, Banco Pichincha (Ecuador)**

### *Q&A session*

### **Guiding questions:**

- \* *What particularities (risks, barriers, gaps) have the Financing of EE in buildings (residential, commercial and public)?*
- \* *What types of financial instruments are needed to support EE in buildings?*
- \* *How does leasing or private equity or other financial instrument complement/ support the financing of EE in buildings?*

## 1:00 pm | Lunch Break



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## 2:30 pm | Session 3: Innovative Instruments for EE Financing for Industry

*This session engages financing strategies to promote EE in different industries, experiences from financial institutions and private organizations leveraging investment in diverse industrial sectors.*

**Moderator:** Daniel Magallon, BASE Energy

### **Presentations:**

- Examples of energy efficiency upgrades for the agroindustry sector – **Erick Rodriguez Maldonado, FIRA (Mexico)**
- Energy efficiency opportunities for manufacturing industries – **Lynda Garcia, BCIE Banco Centro Americano de Integración Económica (Centro América)**
- Experiences with EE in China - **He Xiaoliang, ICBC (China/Peru)**

*Q&A session*

### **Guiding questions:**

- \* *What kind of risks and barriers has the financing of EE in the industrial sector?*
- \* *What kind of public finance mechanisms are needed to support EE in the industrial sector?*
- \* *What are the main challenges to implement an Energy Performance Contract (EPC) and position ESCOs to provide EE services to the industry sector?*

## 3:30 pm | Coffee Break



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## 3:45 pm | Session 4: Strategies for Financing Energy Efficiency related PPPs and Concessions

*This session will review the different ways to promote EE finance through public-private partnerships (PPPs) and by utilizing the existing and new innovative instruments available for EE; the key role that financial institutions play, as well as the available contractual and regulatory incentives to crowd-in and leverage private investments in EE for a low carbon pathway.*

**Moderator:** Daniel Magallon, BASE Energy

### **Presentations:**

- Role of IFDs in Promoting PPPs for EE finance - **Enrique Nieto, IDB**
- Promoting EE opportunities by a National Development Bank – **Ursula Sola de Inestrosa, FINDETER (Colombia)**
- Structuring incentives for private investments in EE in concessions and PPPs - **Enrique Gomez Junco, Optima Energía (Mexico)**
- Examples of innovative business models based on PPPs - **Polash Das, Energy Efficiency Service Limited (EESL) (India)**
- Opportunities for street light upgrades - **Kerry Wilson, Real Term Energy (Canada)**

-Q&A session

### **Guiding questions:**

- \* *What kind of risks and challenges present the PPP and concessions for EE projects?*
- \* *What kind of public finance mechanisms are needed to support EE public infrastructure?*
- \* *What is the role of the government and the private sector in promoting PPPs?*

## 5:30 pm | End of Day – Cocktail Reception





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## Day 2- Wednesday, November 16

**8:30 am | Participants Registration and Reception**

**9:00 am | Session 5: Opportunities on working with technology providers**

*For this session, different EE technologies/services providers will share their experiences in EE projects for SMEs, industries and public institutions; barriers encountered and solutions approached to overcome them.*

**Moderator:** Daniel Magallon, BASE

### Panel reactions/discussions:

- Rodrigo Calderon, Energetyka (Mexico)
- Marcelo Sigoli, ABESCO (Brazil)
- José Carlos Caparó Jarufe JC Soluciones Técnicas (Perú)
- Mario Garcia, Latius (Mexico)
- Orlando Espezua, Honeywell (Peru).

*Q&A session*

### Guiding questions:

- \* *What kind of risks and challenges do EE technology providers face to promote their products? What are the opportunities?*
- \* *What kind of effective strategies do EE technology providers use to promote their products?*



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*\* What kind of guarantees, contracts and risk coverage mechanisms are used by technology providers to mitigate the performance risk, the breakdown of the EE equipment, and other potential risks (damage due to client's misuse of the equipment)?*

## 10:45 am | Coffee Break

## 11:00 am | Session 6: Opportunities & lessons learned by insurances and other risk sharing mechanism businesses

*This session will review some of the activities and roles of insurance and reinsurance agencies and other risk mitigation mechanisms, the opportunities in these markets as well as some concrete win-win experiences improving productivity among stakeholders while encouraging EE.*

**Moderator:** Daniel Magallon, BASE Energy

### Panel Presentations:

- Eduardo Ramos Tercero, ASERTA (Mexico)
- Rubem Hofliger, Swiss Re
- Julio Giraldo, ICONTEC (Colombia)
- Diana Angeles, BOSC (Mexico)

*Q&A session*

### Guiding questions:

- \* What is the role of insurance and reinsurance to share risks faced by EE projects?*
- \* What are the most important aspects for an insurance/reinsurance company for getting involved in an energy savings risk coverage? (Contracts, technical validation, financing).*
- \* What are the biggest challenges for an insurance company/reinsurance company to develop and Energy Savings Insurance product?*

## 12:30 pm | Lunch Break

## 2:00 pm | Session 7: Latest trends on energy efficiency initiatives

*This session brings to this event some examples of the latest trends and the global initiatives of*



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*financial instruments for green technologies and EE financing. Green Banks and NDBs, competition or cooperation to foster sustainable growth?*

**Moderator:** Daniel Magallon, BASE Energy

## Panel discussions:

- Mustapha Kleiche, French Development Agency (AFD)
- Sarah Challe, UNEP-FI
- Jeff Schub, Coalition for Green Capital (CGC)/Green Banks Network (GBN)
- Gustavo Pimentel, SITAWI (Brazil)
- Heidi Sumser, The Global Climate Partnership Fund (GCPF)

## Q&A session

## Guiding questions:

- \* *What is missing to mobilize investment and finance in EE in emerging economies?*
- \* *How to create trust of investors in EE projects?*
- \* *How the different initiatives improve the risk-return trade-off and the attractiveness of the EE investment opportunities?*

## 3:15 pm | Coffee Break

## 3:30 pm | Session 8: Sharing experiences and lessons learned from the EE market in the regions

*This session analyses the lessons learned, the learning by doing, do's & don'ts, and gives a deeper understanding of successful projects delivered in the EE and green technologies scenarios.*

**Moderator:** Daniel Magallon, BASE Energy

## Panel discussions:

- Haydee Mendoza, BANDESAL (El Salvador)
- Franco Piza, Bancolombia (Colombia)
- Marco Monroy, MGM





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- Igor Shishlov, Institute for Climate Economics (I4CE)
- Francisco Becerra, Banco do Nordeste (Brasil)
- Per Lagerstedt, Nordic Development Fund (NDF)

## Q&A session

### Guiding questions:

- \* *What have been the main challenges to develop an EE initiative? and what have been the lessons learned?*
- \* *What has been the role of the NDBs/Bilateral organizations/Banks in promoting EE?*
- \* *Is the international climate finance suitable for developing the EE markets in developing economies? What would you change?*

## 4:45 pm | Closing Remarks

- Joaquin Dominguez, IDB
- Mustapha Kleiche, AFD
- Sarah Challe, UNEP FI
- Eduardo Vasquez, ALIDE
- Albert B. Reyno, ADFIAP

## 5:30 pm | End of day

