

## ***Joint SDSC-FIN-ENE Webinar :***

### **Energy Efficiency and Savings Insurance—De-Risking Green Investments for SMEs and Large-Scale Projects**

#### **Welcome Remarks—Xiaohong Yang, Chief Thematic Officer, SDCC**

1. Good day everyone. Welcome to this joint Finance and Energy Sector webinar on *Energy Efficiency and Savings Insurance*. Today's presentations and discussions will look at how the insurance industry can de-risk green investments for SMEs and large-scale projects.
2. The event launches specific webinars focused on identifying existing, developing new, and implementing green and climate-related financing solutions, part of the wider webinar series *Supporting the Financial System for Net Zero*. Financing solutions can help design innovative financing models that contribute to mitigating greenhouse gas emissions by promoting transition to low-carbon and climate resilient growth. This will align ADB's investment and (sovereign and nonsovereign portfolio with Paris Agreement objectives.
3. The inaugural installment of the wider series, last week, examined ways central bank monetary policy can help tackle climate-related financial risks. In the course of the year, diverse views on how the financial system can help reach a net zero economy will be presented in bi-monthly Webinars, specifically addressing shortfalls in funding, information, and regulation.
4. Ladies and gentleman, global climate finance has steadily increased over the last decade, reaching \$632 billion in 2019/2020. However, this falls far short of the amount needed to meet the internationally agreed climate objectives. According to Climate Policy Initiative (of 2021), an increase of at least 590% in annual climate finance is needed to keep global warming to a 1.5°C scenario by 2030.
5. Developing countries in Asia and the Pacific face growing social and environmental pressure from extreme weather events due to climate change and increasing greenhouse gas emissions. To meet climate finance challenges, countries need to mobilize long-term capital from various financial sources. This includes leveraging the experience and financial strength of the insurance industry. Tackling climate change risks requires going beyond traditional financing approaches to develop and implement innovative financial models and developing and disseminating best cases and practices to support climate finance.
6. Energy efficiency is essential to a low-carbon economy. It is a highly effective and the least cost path to lower global greenhouse gas emissions. The International Energy Agency has shown that energy efficiency measures could deliver more than 40% of the emissions abatement required to reach the Paris Agreement goals in a sustainable development scenario.
7. However, investments in energy efficiency are not yet big enough, hindered by a host of barriers. These include fossil fuel subsidies, high upfront costs, lack of access to finance, high perceived risk, lack of trust in new technologies, competing investment priorities, lack of knowledge and awareness, and split incentives.

8. The ADB Finance and Energy Sector Groups set up this webinar on *Energy Efficiency and Savings Insurance* finance models to explore ways around these barriers. I would like to thank our speakers: Livia Miethke will introduce the Energy Savings Insurance model developed by BASE, which was successfully implemented in Latin-America and Europe. Paul Cullum will present the Energy Efficiency Insurance product developed for Europe by HSB, a subsidiary of Munich Re.
9. I am also grateful to Sidhartha Gupta, co-founder of Smart Joules, for joining us for his presentation on the potential, challenges, and risks of the Energy Services Companies market in India. ADB Ventures recently invested in Smart Joules, a start-up energy efficiency service company in India.
10. After the presentations, participants can explore the feasibility of the energy efficiency and savings insurance model, with the support of ADB, and integrating it into Asia's developing countries.
11. Ladies and gentlemen, I look forward to interesting presentations and discussions today. I am confident these will be a lively kick-off to advance and accelerate ADB's contributions to net zero. Thank you.