

Concept Note

Stakeholder Workshop on De-risking Instruments for Energy Efficiency in the Philippines

Under the TA-9395 on "Support for the Implementation of the Asia-Pacific Climate Finance Fund"

Venue: EUMB Conference Room, 3rd floor Annex Building, Energy Center, 34th St., Rizal Drive, Bonifacio Global City

Tuesday 5th December 2023, 09:30AM

Background

The Asian Development Bank (ADB) is administering a Technical Assistance (TA-9395) Program on "Support for the Implementation of the Asia-Pacific Climate Finance Fund" (AClIFF). AClIFF was established in April 2017 to provide financing and technical assistance to support the assessment, development, and provision of financial risk management instruments that can help unlock financing for climate investments and improve resilience to the impacts of climate change.

The TA supports the undertaking of gap analyses and market scoping studies to understand the supply, demand and market conditions for financial risk management instruments that have not previously been supported by the market. The financial risk management instruments can play a critical role in helping ADB's developing member countries (DMCs) meet their climate investment, adaptation, and resilience challenges. They are particularly important in addressing risks associated with climate investments in DMCs, which are often held back by real or perceived initial financial risks and transaction costs, and in helping to manage the increase in extreme weather risk associated with climate change. The availability of relevant financial risk management instruments is increasing, but their use and deployment in DMCs remains low as a result of barriers such as high product development costs, data constraints, marketing and distribution channel limitations, uncertainty about market uptake, and low customer awareness and trust.

The Context

The TA has funded a concept brief as a first phase of a project undertaking a gap analysis and capturing different types of financial risk management instruments and risk management solutions that can support the development, de-risking, and expansion of energy efficiency financing and investments in Asia and Pacific. The concept brief included examples and case studies of how and where the de-risking solutions have been successfully applied in the energy efficiency market.

The second phase of the project is to conduct a market scoping study supported by consultation meetings and workshops in the Philippines and India to understand the supply, demand, and market conditions for financial de-risking solutions. The consultation meetings and workshops will help in identifying and evaluating the sectors that are most promising for investments in innovative energy efficiency technologies supported by the implementation of de-risking solutions, especially the energy saving insurance.

Stakeholder Workshop in the Philippines

The initial half day stakeholder workshop is focusing on evaluating the market readiness in Philippines through physically engaging with key stakeholders representing the public sector, insurance companies, reinsurers, development organizations, energy service companies, banks and other lending institutions, local businesses, as well as relevant networks and organizations working on energy efficiency, and identifying other sources of information as needed.

The objective of the stakeholder workshop is to:

- Present the concept brief on the different financial risk management instruments promoting energy efficiency financing and investments successfully applied in other markets.
- Capture the views of key stakeholders about perceived risks, barriers, regulatory, policy or technology issues, market behavior and other related subjects.
- Discuss the proposed or potential role of DOE and other public sector stakeholders in the structure.
- Analyze the potential role of Insurance Commission of Philippines and other key stakeholders and how to integrate them in the overall structure of a suitable de-risking product.
- Identify and document the areas for capacity building required for key stakeholders.
- Discuss, identify, and document key barriers for implementation of the model, and understand about the possible mitigation measures to overcome.
- Evaluate the potential market interest and refine the analysis based on feedback from stakeholders.

Workshop Agenda

Time	Agenda
9.30 am	Registration
10.00 am	Welcome remarks by Mr. Patrick T. Aquino, Director, CESO III, Energy Utilization Management Bureau, DOE
10.10 am	Remarks by Arturo S. Trinidad II, Director, Insurance Commission of Philippines
10.20 am	Remarks by Thomas Kessler and David Morgado, ADB
10.35 am	Presentation by Sanjay Dube, ADB Consultant on De-risking Instruments for Energy Efficiency
11.15 am	Questions and Open discussion
12.00 pm	Summarization of key take aways
12.15 pm	Close

Key Participants

1. Development Bank of the Philippines (DBP) – Energy Efficiency Savings (E2SAVE) Financing Program.
2. Bank of the Philippine Islands (BPI) – Reinforcing its commitment to help businesses, such as those in the cold chain industry, become more sustainable and energy efficient by funding, developing, and building its energy efficiency projects.
3. Land Bank – A Government Financial Institution with a focus on promotion of countryside development.
4. Sustainable Energy Finance (SEF) Program – An advisory program being implemented by the International Finance Corporation (IFC).
5. Energy Efficiency and Conservation Unit, Department of Energy (DOE)
6. The Philippine Energy Efficiency Alliance (PE²) – Not for profit working in EE sector, especially to promote ESCO business.
7. BDO Unibank Inc – The bank is working with IFC on green bonds.
8. World Bank / IFC – For developing understanding about their programs.
9. OSP-ESCO – Local ESCO working on energy conservation projects.
10. Energy Transition Partnership (ETP) – Derisking RE and EE investments is one of the focus areas.
11. Carbon Trust and UK Embassy – Low Carbon Transition Program.
12. Efficiency Valuation Organization – Monitoring and verification work in the Philippines
13. The Insurance Commission of Philippines
14. Insurance and Surety Association of the Philippines (PIRA)
15. National Reinsurance Corporation of the Philippines (Nat Re)
16. Munich RE and other insurance companies in the Philippines
17. GIZ – Programs on EE
18. Seoul Initiative Network on Green Growth