



# BASELINE STUDY ON CLEAN ENERGY FINANCE INITIATIVES OF FINANCIAL INSTITUTIONS IN THE ASEAN REGION



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# Objectives

- assess the clean energy finance initiatives of Financing Institutions in the ASEAN Region.
- determine the bottlenecks, challenges and needs of FIs in scaling up financing of clean energy projects

# Challenges

Lack of o	<b>Difficulty in the technical evaluation of clean energy projects</b>	<b>76%</b>
Lack of o		
benchm		
Beyond t		
Difficulty	<b>Lack of or limited data/information for best practices and benchmarking for clean energy financing</b>	<b>71%</b>
Lack of o		55%
and social	risks of projects	
Lack of staff	trained to assess or evaluate projects	53%
Lack of f		55%
Lack of e	<b>Lack of capacity to assess, manage and monitor environmental and social risks of projects</b>	<b>59%</b>
Lack of v		
Lack of r		
financing		
	<b>Lack of staff trained to assess or evaluate projects</b>	<b>53%</b>

# Needs: Capacity Building

Assessment of clean energy projects	<b>Assessment, management, and monitoring of climate, environmental and social risks of clean energy projects</b>	<b>100%</b>	100%
Technical assistance			88%
Project identification	<b>Identification of bankable projects and development of pipeline</b>	<b>100%</b>	76%
Sustainability			59%
Development	<b>Technical evaluation and monitoring of clean energy projects</b>	<b>88%</b>	71%
Identification	<b>Credit assessment of projects including risk analysis</b>	<b>88%</b>	100%
Credit assessment			88%
Project monitoring	<b>Project monitoring</b>	<b>76%</b>	76%
Climate change	<b>Project documentation on the technical aspects of clean energy finance</b>	<b>76%</b>	53%

# Needs: Institutional Support

Go and fin	<b>Government support through policy reforms to promote the financing of clean energy and transition to low carbon economy (e.g. regulatory framework for sustainable finance)</b>	<b>76%</b>
Dat	<b>Development of guidelines or guide book on technical evaluation of clean energy projects</b>	<b>76%</b>
A p and		
The	<b>Database/information on successful financing mechanisms and technologies</b>	<b>65%</b>
Dev pro	<b>Concessional financing facilities</b>	<b>65%</b>
Cor		
Cre	<b>A platform for the exchange of information, sharing of experiences on best practices and technological development on clean energy</b>	<b>59%</b>
Ind		
	Database and linkages to suppliers, technology providers, energy service companies	47%
	Market awareness for our clients including ESCOs	53%

# Recommendations: Capacity Building

## a) Product Development

- *Develop knowledge products such as 1) business case on clean energy finance for FIs that will provide evidence or justification on its benefit to people, the environment as well as commercial gains; 2) guidelines on evaluating the risks and opportunities of clean energy projects; and 3) guidebook on the best practices on clean energy,*
- *Develop tools to help establish, assess and measure relevant indicators such as GHG emissions mitigation, energy consumption reduction, and energy cost savings.*

## b) Training

- *Offer training opportunities on the needed skills and capacities for aspects of clean energy including assessment, management, and monitoring of climate, environmental and social risks, Identification of bankable projects and development of pipeline, project documentation on the technical aspects, sustainability reporting, green finance and resource mobilization.*

## c) Advisory

- *Provide advisory services including that is tailor-fit to FI's to help them address their specific needs and issues in order to effectively manage their clean energy portfolio and create new business opportunities.*

## d) Knowledge Exchange

- *Facilitate knowledge exchange learning through peer-to-peer learning, study tours, twinning arrangements, secondments, on-the-job training and other learning channels.*

# Recommendations: Institutional Support

## a) Government Support: Policy Reforms

- *establish an enabling environment for the scaling up of clean energy financing through policy reforms and grant of fiscal and non-fiscal incentives and issuance of technical guidelines*
- *Endeavor to generate concessional funds for FIs through bilateral discussions for ODAs, partnerships with international financing institutions and development organizations such as WB, ADB, UNDP, GCF, GIZ, and partnership with Philanthropic foundations such as Bill and Melinda Gates Foundation, etc.*

## b) Private Sector Involvement: Market Transformation

- *Educating the private sector on the benefits of making green or energy efficient alternatives in their production and production of goods and services*
- *Sharing of experiences, transfer of technology and product innovations*

## c) Industry Associations: Greening the Sectors

- *Identify issues, policy gaps and overlaps in their respective sectors and propose solutions through preparation of position papers for regulators and relevant authorities*

# Recommendations: Institutional Support

## d) Regional Mechanism: Advancing Collaboration

- *Offer a platform for sharing knowledge and experience as well as new technological developments on clean energy*
- *Provide training to FIs at the regional level, with focus on best practices and recent development of clean energy in the region*
- *Establish regional working groups that will tackle issues and solutions on specific aspects of clean energy*
- *Establish a regional network of FIs, technical energy professionals, private sector groups such as ESCOs, energy producers, manufacturers, building, transport, tourism.*
- *Conduct study on relevant clean energy issues, in coordination with existing sector networks, and prepare advocacy or position papers for recommendations to regulators and policymakers.*
- *Facilitate the establishment of a regional funding facility to complement the lending operations of FIs on clean energy*



# Way Forward

What would be the next steps to operationalize the recommendations?