



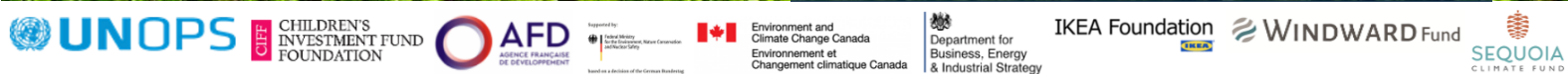
ENERGY
TRANSITION
PARTNERSHIP

Powering Prosperity and Enabling Sustainability in South East Asia

Energy Efficiency Innovation Funding Window (EEIW)



PROJECT INFOSHEET



PROJECT FACTS

Country: Indonesia, Philippines, Vietnam

Duration: One year

Start date: 2021

Implementer:

Partnerships:

Private Finance Advisory Network
Southeast Asia Energy Clean Energy Facility

BACKGROUND

The estimates of the "Efficient World" scenario state that by 2040, EE could deliver a reduction in annual energy-related emissions of 3.5 Gt CO₂-eq compared to 2017 levels, delivering over 40% of the abatement required to be in line with the Paris Climate Agreement. EE delivers multiple benefits towards the achievement of SDGs across outcomes for industrial productivity, air quality, livelihoods and human health.

AIM OF THE PROJECT

The EEIW is an effective pathway allowing ETP to provide early-stage grant financing for innovative projects to address the systemic problem of under-investment in EE in Southeast Asia. This will allow for a consistent, rapid, and non-duplicative assessment of several solicitations for EE funding that are currently being received by ETP on an ad hoc basis. It is expected that the initial US\$ 2 millions of grants through the EEIW can provide grant support for projects in the range of 6-12 EE.

PROJECT STRATEGY

APPROACH

The EEIW targets proposals for funding focused on innovations (technologies, business models or engagement approaches) that address these categories (one or more):

- **Project development support**
- **Access to EE finance**
- **Facilitation of public policy implementation for EE**

REASONS FOR IMPLEMENTATION

There is a substantial under-investment in cost-effective EE initiatives

A need for greater awareness and specialised knowledge of EE, including awareness of energy-consuming facilities

Weak technical capacity and project development skills needs strengthening, which will impact the confidence of local facility owners and investors reg. EE savings

Perceptions of high risk of small-scale EE projects, which could be mitigated by appointing 'Super-ESCO' that will ensure achievement of financial savings

A need for stronger and consistent regulations that mandate implementation of cost-effective EE measures

Financing gap of commercially attractive local financing to be reduced

RESULTS AND IMPACT

EEIW will select projects for grant funding and guide their implementation activities to create improved market conditions and 'bankability' of EE projects. This will catalyze increased public investment and foreign direct investment in EE in Southeast Asia.



Successful applications will address barriers to expanding EE investments as defined in the three categories:



Project development support: EEIW will provide grants for development of EE projects and tools that strengthen the capacity to design bankable projects in key sectors. Wider implementation of best-practice approaches and increased skills will lead to development of viable business cases for EE projects and a greater uptake of EE technologies and investments.



Access to EE finance: EEIW will provide grants and support initiatives that expand and increase success to financing for EE and help direct investments to EE interventions. Mechanisms that can be explored: project aggregation models for similar technologies across different organizations; project intermediaries and Super-ESCO style approaches; better measurement and verification of energy savings revenue stream at the project level; energy savings insurance and others.



Facilitation of public policy implementation for EE: EEIW will provide grants for the development of EE projects specifically targeting the private sector, as it can create an enabling environment that can accelerate EE investment.

FUTURE OUTLOOK

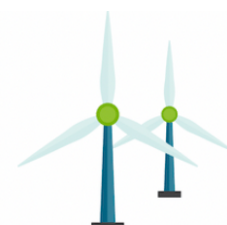
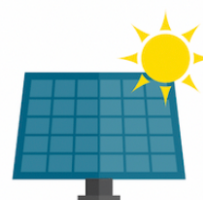
To increase leverage of EEIW, linkages are being actively explored with public and private institutions that may have an appetite for being an off taker of EE infrastructure financing for grantee projects, including the multilateral and bilateral development banks, regional and local financiers.

ETP is also exploring linkages with the Sustainable Infrastructure Impact Investments (S3I) Initiative of UNOPS, which provides investors with opportunities to generate financial returns, while ensuring their contributions are making a positive social, environmental and economic impact.

Winning projects:

The first round of EEIW includes innovative proposals:

- Investment-grade audit (IGA) financing programme
- De-resking instrument to accelerate EE transaction with Danfoss Energy Management System (DEMS)
- ESCO-in-a-box for Southeast Asian Region
- Energy Efficiency and Energy Conservation Awareness Raising in the education sector including an energy saving competition



CONTACT

Sirpa Jarvenpaa – Director Southeast Asian Energy Transition Partnership, sirpaj@unops.org

LinkedIn: <https://www.linkedin.com/company/southeast-asia-energy-transition-partnership/>

Website: <https://www.energytransitionpartnership.org>

