

Basic Information			
Approval Year	: 2015	Region	: REG
Team Leader	: Villacorta Alvarez, Omar	Country	: Regional
Taxonomy	: Research and Dissemination	Department	: IFD
Fund	: COF	Sector	: FM - Financing For Environmental Sustainability
Approval Number	: ATN/CF-15453-RG	Sub Sector	: FES
Execution Agency	: US-IDB		
Execution Status	: Active		
Operation Objective	: The objective of the proposed Regional Energy Savings Insurance program (R-ESI) is to promote private investments in energy saving measures by small and medium enterprises (SMEs) in five countries: Brazil, Colombia, El Salvador, Mexico, and Peru by addressing existing financial and non-financial barriers that prevent the adoption of energy efficiency (EE) measures, building a pipeline of bankable projects and creating an enabling environment and business models that stimulate market development for EE projects by private sector firms. The strategies developed as part of the program should also provide for the supply of adequate financing for this type of projects, as well as for relevant risk mitigation instruments that could help mitigate potential performance risks associated with energy efficiency investments. In this context, NDBs are expected to be supported in their engagement with first-tier financial institutions and insurance companies in order to ensure the access to long-term investment credit and develop and implement guarantee facilities and other dedicated risk transfer instruments		

Financial Information			
RG-X1258			
ATN/CF-15453-RG:COF	Original	Current	% of Current Amount Financed
Amount Financed	\$5,002,500.00	\$5,027,674.07	
Disbursed Amount	N/A	\$1,672,340.02	33.26 %
Commitments not yet disbursed Amount	N/A	\$682,459.05	13.57 %
Available Amount	N/A	\$2,672,875.00	53.16 %
Final Disbursement Date	Dec 16, 2020		

Advance in the Achievement of Outcome and Outputs	
Advance in the Achievement of Outcome	
1 . The TC is expected to have an important long-term market transformation effect beyond project activities, as it should create conditions for LFIs to start looking at EE projects as potential and “bankable” business opportunities and promote these actively among their clients.	

So far five NDB have been actively involved in the development of the ESI Program and committed resources to internalize the concept within their institutions. The nature of the energy savings scheme requires the participation of new market players to guarantee the mitigation of risks to the investor (e.g: validating entities and insurance companies). Both the NDS and technology providers are nowadays more familiar with the benefits of the initiative and are moving to the stage of: a) providing feedback on ways to improve the scheme, b) participating actively in the development of a portfolio of projects, and c) identifying other sectors where the program can be expanded.

Advances in Execution

1. 1. Tailored financial strategies

Component Cost: \$514,751

Output Indicator	Indicator Detail	Unit Of Measure	Baseline	Baseline Year	Means Of Verification	Theme	Year	P	P(A)	A
1.1 5 Feasibility study completed	Feasibility analysis studies completed, identifying EE sectors to be prioritized (COF)	Studies (#)				Institutional Development	Physical			
							2016	2	2	2
							2017	3	4	
							2018	2		
							2019	0		
							2020	0		
							EOP 2021	7	6	2
							Financial			
							2016	257375	257375	257375
							2017	257375	1	
							2018	257375		
							2019	257375		
							2020	257375		
							EOP 2021	1286875	257376	257375

Advances In Execution: One Feasibility Study (FS) per NDB was planned. FS have been completed in Colombia (BANCOLDEX), El Salvador (BANDESAL), Peru (COFIDE), Brazil (GOIAS FOMENTO, BANDES and BRDE). In the case of BANCOMEXT (Mexico) no FS was prepared as information from the pilot phase with FIRA was found relevant to establish and support Bancomext in the definition of priority sectors.

Output Indicator	Indicator Detail	Unit Of Measure	Baseline	Baseline Year	Means Of Verification	Theme	Year	P	P(A)	A
1.2 ^s Diagnostics and assessments completed	Market assessments completed, identifying financial and non-financial barriers to be addressed (COF)	Diagnostics (#)				Institutional Development	Physical			
							2016	2	2	2
							2017	3	3	
							2018	2		
							2019	0		
							2020	0		
							EOP 2021	7	5	2
							Financial			
							2016	77212.5	77212.5	77212.5
							2017	77212.5		
							2018	77212.5		
							2019	77212.5		
							2020	77212.5		
							EOP 2021	386062.5	77212.5	77212.5
Advances In Execution: Market assessments have been completed in Colombia (1), El Salvador (1), and Brazil (3). In Mexico the assessment has faced methodological barriers and is under review. In Peru the assessments is on hold, pending on COFIDE engagement or the definition an alternative NDB.										

Output Indicator	Indicator Detail	Unit Of Measure	Baseline	Baseline Year	Means Of Verification	Theme	Year	P	P(A)	A
1.3 ^s Strategies designed	Ready to use financing strategies developed (COF)	Strategies (#)				Institutional Development	Physical			
							2016	2	2	2
							2017	2	0	
							2018	2		
							2019	1		
							2020			
							EOP 2021	7	2	2
							Financial			
							2016	102950	102950	102950
							2017	102950		
							2018	102950		
							2019	102950		
							2020	102950		
							EOP 2021	514750	102950	102950

Advances In Execution: A financing strategy was developed in Colombia. As part of the learning by doing process some changes were introduced by BANCOLDEX, with the support of the IDB, to mobilize the market during 2017. In El Salvador a financing strategy has been defined. Specific conditions will be defined at the beginning of the operation of the credit line and will depend on the evolution of the macroeconomic situation of the country and the terms of BANDESAL-GCF agreement. The credit line is expected to be in place in Q2 2018, taking into account IDB and GCF internal processes. Brazilian NDBs have a clear scheme of funding, but the overall strategy is expected to be finalized once NDBs have a better understanding of the Program, as well as market barriers and demand.

Output Indicator	Indicator Detail	Unit Of Measure	Baseline	Baseline Year	Means Of Verification	Theme	Year	P	P(A)	A
1.4 ^s Monitoring and evaluation systems designed	Monitoring and evaluation systems for results developed (COF)	M&E systems (#)				Institutional Development	Physical			
							2016	2	2	2
							2017	2	0	
							2018	2		
							2019	1		
							2020			
							EOP 2021	7	2	2
							Financial			
							2016	77212.5	77212.5	77212.5
							2017	77212.5		
							2018	77212.5		
							2019	77212.5		
							2020	77212.5		
							EOP 2021	386062.5	77212.5	77212.5

Advances In Execution: BANCOLDEX (Colombia) has developed a monitoring system. Its robustness and reliability is being tested in the light of the latest changes in the Program with regards to the financial strategy and portfolio of technologies. BANDESAL (El Salvador) completed the definition of the core components of the system. The development of the software has been postponed to Q2 of 2018 to incorporate lesson learnt about the flexibility of the system. In Brazil, a unique M&E system will be develop for the 3NDB. The conceptual components of the system are under preparation in coordination with the validating entity.

2. 2. Implementation process

Component Cost: \$321,900

Output Indicator	Indicator Detail	Unit Of Measure	Baseline	Baseline Year	Means Of Verification	Theme	Year	P	P(A)	A
2.1 * Project implementation unit established	Number of NDB divisions / structures dedicated to support implementation of financing strategies (COF)	PIUs (#)				Institutional Development	Physical			
							2016	2	2	2
							2017	3	5	
							2018	2		
							2019	0		
							2020	0		
							EOP 2021	7	7	2
							Financial			
							2016	96570	96570	96570
							2017	96570		
							2018	96570		
							2019	96570		
							2020	96570		
							EOP 2021	482850	96570	96570
Advances In Execution: Except from Peru the other six NDBs have in place institutional structures to support the development of the Program. The IDB is supporting them through targeted technical assistance. The level of involvement of IDB vary by bank and country and is expected to continue until the financial lines are fully operational and the institutional structures fully staffed and trained. In Peru the next steps are pending on COFIDE engagement or the definition an alternative NDB.										

Output Indicator	Indicator Detail	Unit Of Measure	Baseline	Baseline Year	Means Of Verification	Theme	Year	P	P(A)	A
2.3 ^s Events related to project preparation supported	Training and outreach events (TOE) for technical validators on the financing strategies organized (COF)	Events (#)				Action Plan C&D Project Preparation	Physical			
							2016	3	3	3
							2017	3	3	
							2018	2		
							2019	2		
							2020	0		
							EOP 2021	10	6	3
							Financial			
							2016	48285	48285	48285
							2017	48285		
							2018	48285		
							2019	48285		
							2020	48285		
							EOP 2021	241425	48285	48285
Advances In Execution: Validating entities have participated in workshops and events related to the Program structure. Meetings with validators and specialized consultants have also been organized to exchange views on methodologies for M&E.										

Output Indicator	Indicator Detail	Unit Of Measure	Baseline	Baseline Year	Means Of Verification	Theme	Year	P	P(A)	A
2.4 ^s Events related to project preparation supported	Training and outreach events (TOE) for ESTP on the financing strategies organized (COF)	Events (#)				Action Plan C&D Project Preparation	Physical			
							2016	23	23	23
							2017	14	7	
							2018	3		
							2019	0		
							2020	0		
							EOP 2021	40	30	23
							Financial			
							2016	48285	48285	48285
							2017	48285		
							2018	48285		
							2019	48285		
							2020	48285		
							EOP 2021	241425	48285	48285
Advances In Execution: ESTPs are engaged from the outset of the Program in each country as they are considered essential for its success. Therefore, they are permanently consulted on the Program structure an evolution and invited to dissemination events and to be active players in roadshows.										

Output Indicator	Indicator Detail	Unit Of Measure	Baseline	Baseline Year	Means Of Verification	Theme	Year	P	P(A)	A
2.5 ^s Pilot interventions implemented	Demonstration projects supported with investment credit (COF)	Pilots (#)				Institutional Development	Physical			
							2016	1	1	1
							2017	6	0	
							2018	10		
							2019	10		
							2020	8		
							EOP 2021	35	1	1
							Financial			
							2016	80475	80475	80475
							2017	80475		
							2018	80475		
							2019	80475		
							2020	80475		
							EOP 2021	402375	80475	80475

Advances In Execution: A portfolio development phase is underway in Colombia and Mexico. The BANCOLDEX line of credit has made disbursements for 7 projects that benefits from some elements of the ESI Program. However, a pilot project that uses the ESI scheme in full is yet to be developed.

3. 3. Knowledge platform

Component Cost: \$163,850

Output Indicator	Indicator Detail	Unit Of Measure	Baseline	Baseline Year	Means Of Verification	Theme	Year	P	P(A)	A
3.1 * Training products developed	Knowledge platform - Number of learning products (technical, reports, tools, e-learning) prepared, edited, and published for use of knowledge (COF)	Products (#)				Institutional Development	Physical			
							2016	13	13	13
							2017	13	4	
							2018	13		
							2019	10		
							2020	3		
							EOP 2021	52	17	13
							Financial			
							2016	139272.5	139272.5	139272.5
							2017	139272.5		
							2018	139272.5		
							2019	139272.5		
							2020	139272.5		
							EOP 2021	696362.5	139272.5	139272.5
Advances In Execution: Various knowledge products including reports, toolkit and e-learning tools have been developed. Details can be found at: https://www.greenfinancelac.org/esi/ https://intranet.greenfinancelac.org/										

Output Indicator	Indicator Detail	Unit Of Measure	Baseline	Baseline Year	Means Of Verification	Theme	Year	P	P(A)	A
3.2 Positive feedback from participants benefitting from workshops and events who report use of knowledge	COF	Positive (%)				Institutional Development	Physical			
							2016	10	10	10
							2017	10	10	
							2018	15		
							2019	20		
							2020	25		
							EOP 2021	80	20	10
							Financial			
							2016	24577.5	24577.5	24577.5
							2017	24577.5		
							2018	24577.5		
							2019	24577.5		
							2020	24577.5		
							EOP 2021	122887.5	24577.5	24577.5

Advances In Execution: Feedback collected informally during events has shown that the Program is perceived as very attractive to promote investments in energy efficiency. Structured surveys collected in El Salvador in a dissemination event with TSPs, LFIs and SMEs confirmed its relevance.