SHINING THE LIGHT ON ENERGY EFFICIENCY

ACHIEVING HIGHER LEVELS OF ENERGY EFFICIENCY, INVESTING IN SOLUTIONS AND FINANCING THE ENERGY EFFICIENCY SECTOR
Energy efficiency – broadly defined as a way of managing energy usage so that more can be done with less – represents about 40% of the greenhouse gas reduction potential that is globally required by 2050 to prevent the earth’s temperature from increasing by more than 2°C.1

“As the saying goes, the Stone Age did not end because we ran out of stones; we transitioned to better solutions. The same opportunity lies before us with energy efficiency and clean energy.”

Steven Chu, Frmr US Secretary of Energy

Energy efficiency is an extremely attractive area of upfront investment that pays for itself over time, while providing the added benefits of reducing the cost of energy and increasing the energy productivity of the economy. It is therefore not surprising that many governments have emphasized energy efficiency opportunities during the current economic downturn as a way to stimulate their faltering economies. By focusing funding on energy-efficient initiatives, governments hope not only to save or create jobs – the primary goal of spending – but to also reduce domestic dependence on foreign energy supplies and reduce carbon emissions associated with energy use.

Interest in energy efficiency is nothing new. Companies, governments and consumer groups in developed and developing markets have sought for years to power more economic activity with less energy.
in related technologies – have prompted renewed interest in energy efficiency among the public and private sectors. Significant injections of public funds in energy efficiency in recent years, including public-private partnerships, have only added to the momentum.

This paper looks at the energy efficiency opportunity and how to capture it in emerging markets. There is a compelling opportunity to substantially lower energy costs. Latin America could, for instance, achieve a reduction in energy consumption of 20–25% over the next decade if comprehensive efforts are put in place to overcome barriers across the economy. Globally, the efficiency potential is highly fragmented across more than a hundred million residential, commercial and industrial buildings, and millions of devices. Capturing the full potential will require global investments of around USD 500 billion per year for the next decade – and a holistic approach involving information and education, incentives, and new codes and standards. Public as well as private sector engagement will be needed. Private sector finance, in particular, will be an essential long-term conduit for the continued expansion and evolution of the efficiency sector in the developing world.

Significant gains await developing countries if they increase their energy productivity: they could slow the growth of their energy demand by more than half over the next 12 years – to 1.4% a year, from 3.4% at present – which would leave demand around 25% lower in 2020 than it would have been. The scale of this reduction exceeds total energy consumption in China today. Improvements in productivity on the back of more efficient energy use are also the foremost drivers of long-term economic development, leading, eventually to improved livelihoods for many.

The three basic drivers of energy demand are economic growth, population growth and technological innovation. Longer-term trends in economic growth for a particular economy depend on underlying demographic and productivity trends, which in turn reflect population growth, labor force participation, productivity growth, national savings rates and capital accumulation. It is therefore unsurprising that emerging economies are expected to account for a major part of the growth in energy demand in the coming decades: as they move from poverty to middle income status, there is a fundamental shift from agriculture to more energy-intensive commercial enterprises. For the first time in history, the majority of the world’s population has become urbanized, with the largest urban centers emerging in developing regions where energy costs remain a serious constraint. Outside urban areas access to energy sources remains a challenge. By 2050, the global population is expected to increase to 9.3 billion. Virtually all of this projected growth will occur in the developing world. Between 2008 and 2035, non-Organization for Economic Cooperation and Development (OECD) countries are expected to account for 83% of energy demand, together, China, India, and Brazil are expected to account for 55% of overall demand growth. Non-OECD demand growth in the rest of the world accounts for 28% of the world total.

6 Ibid.
Energy demand on this scale will put increasing pressure on global energy resources and distribution networks. This is unsustainable without a fundamental transformation of the global energy system; the dominant fossil energy resources today, especially oil, are concentrated in only a few regions. Many governments therefore see energy security – i.e. potential disruptions in supply – as a potential threat to their economic well-being. In Zambia and South Africa, for example, the lack of an adequate energy supply has in recent years resulted in rolling power outages, with costly effects for the mining industry in both countries. In August 2015, Zambia’s copper mining industry, which consumes more than half of the country’s total electricity output, agreed to cut demand by 30%. On the back of these disruptions, copper output is expected to fall by 15% in 2016. The kind of energy transformations needed to meet growing demand are costly. Various models estimate that it could cost USD 1100 billion through 2050 in developed markets, with even higher costs in less developed regions. Before systems are transformed, it is therefore imperative to maintain demand in a sustainable and efficient manner – i.e. to do more with less.

Martin Rees, British astrophysicist

“We do not yet fully understand the consequences of rising populations and increasing energy consumption on the interwoven fabric of atmosphere, water, land and life.”
One very simple example of energy-efficient investments is Ghana’s appliance labelling program under which appliances are labelled to indicate to consumers the energy consumption and efficiency of the products. Launched in 2000, these efforts have thus far resulted in a reduction of peak energy demand of over 120 mega-watts (MW) and have displaced the need for USD 105 million in generation investment. From 2005 to 2012, similar energy efficiency incentive programs in South Africa reduced peak electricity demand by 3 gigawatts (GW). According to McKinsey & Company, just by using existing technologies that would pay for themselves in future energy savings, consumers and businesses in emerging markets could save around USD 600 billion a year through 2020. These savings are achievable with an investment of USD 90 billion annually over the next 12 years – only half of what these economies would otherwise need to spend on their energy supply infrastructure to keep pace with higher consumption.

Higher levels of energy efficiency are attainable either through reductions in the energy consumed to produce the same level of energy services or by increasing the quantity and quality of economic output produced by the same level of energy services. Indeed, higher levels of energy efficiency are attainable either by reductions in the energy consumed to produce the same level of energy services (e.g. a refrigerator in Ghana produces the same cooling output for less energy input), or by increasing the quantity and quality of economic output produced by the same level of energy services (e.g. providing higher-value added services in the same office building). This is true on a household as well as an industrial scale. Many manufacturing companies in the emerging markets can, for example, improve the overall energy efficiency of their operations by 10% or more with relatively small investments and by up to 35% when making substantially larger ones. Savings, of course, vary by sector. One Mexican chemical company, for example, estimates that it can trim 7% off its energy costs at a cost of less than USD 30 million. Iron and steel companies can save around 10-30% of their annual energy consumption and reduce their costs through better energy management, often just by making operational changes. Research conducted by the global technology firm Siemens suggests that energy savings of 5% are possible in the glass industry – a sector that is becoming increasingly vital to the Ethiopian economy. This represents a savings of 6 terawatt hours per year for the global glass industry – approximately the same level of energy consumption as a city with a population of five million.

---

11 Ibid.
12 Private interview conducted by responsAbility Investments AG, 7 March 2016.
17 Ibid.
A NECESSARY LONG-TERM ENABLING FRAMEWORK

Until recently, a range of market failures and information barriers has discouraged emerging economies from increasing their energy productivity: 1) fossil fuel subsidies; 2) a lack of adequate consumer information; 3) technological barriers; and 4) tight credit markets. At the same time, however, progress in each of these areas has increasingly opened up the energy efficiency space as an attractive long-term growth market and an equally interesting investment opportunity. In fact, 65% of all available positive-return opportunities to boost energy productivity can now be found in the developing regions.16

**KEEP IN MIND**

In 2005, fossil fuel subsidies in developing countries totalled more than USD 250 billion annually. Governments in the developing world have pursued such subsidies as a way of promoting industrialization and of protecting the poor from high energy prices. However, the upshot of these efforts has been the reverse effect. In recent years, however, there has been a major international push to identify and reduce such distortionary policies at a national level. In July 2013, for example, Latvia’s Cabinet of Ministers passed amendments requiring a significant reduction in natural gas plants’ subsidies. Countries including Turkey, Armenia, the Philippines, Brazil, Chile, Peru, South Africa, Kenya and Uganda have all attempted to push energy subsidy reforms. Indeed, government leaders increasingly recognize the financial and economic benefits of curbing energy demand. The reasons vary from country to country. For some, the savings generated through energy efficiency can be used for other economic activities in the private and public sectors. For others, diversifying the fuel mix to include more renewable sources is more cost effective than consuming more fossil fuels. In India, for example, the Bureau of Energy Efficiency in 2008 established Perform, Achieve and Trade (PAT), an incentive scheme.

---

Governments are increasingly providing incentives for utilities to improve energy efficiency and encourage their customers to do the same.

The PAT scheme is, in some respects, similar to the emissions trading schemes in parts of Europe and North America: companies that save more energy than their targets receive energy savings certificates that they can sell to companies that miss their goals. It is estimated that the PAT scheme could result in savings of as much as 12.5% of India’s total energy consumption.

**INCREASED CONSUMER INFORMATION**

Governments are increasingly providing incentives for utilities to improve energy efficiency and encourage their customers to do the same. Policies include revenue incentives and certification programs that measure and reward progress toward achieving efficiency targets and also encourage the adoption of technologies such as smart metering that help households to better manage their energy use.

In Latin America, for example, Ecuador is aiming to make smart meters ubiquitous by 2017. Such systems have already been adopted in Brazil as a way to mitigate electricity theft and fraud, a widespread problem in the region. In countries like Egypt, too, the sale of incandescent lights is gradually being phased out, Egypt intends to roll out a large-scale lighting upgrade after 2020 and to use energy efficient products to replace traditional lighting.

In various parts of the developing world, governments are also adopting mandatory appliance-labelling schemes like that in Ghana in an effort to empower consumers to make energy-efficient choices. Such programs have proven successful in regions where they have been in place for some time. In 1993, for instance, the Thai national electric power utility Energy Generating Authority of Thailand (EGAT) launched a comprehensive five-year energy management programme, which included the mandatory labelling of energy efficient refrigerators. EGAT first negotiated with manufacturers a voluntary labeling scheme for refrigerators that awarded refrigerators a label designating efficiency from level 1 to level 5 (wherein which level 5 was the most efficient). EGAT also sponsored an advertising campaign to promote the label and partnered with a Thai technical standards institute to test domestically available refrigerators. A few years later, the label scheme was made mandatory, and EGAT reached agreement with the manufacturers to increase by 20% the efficiency requirements for each label level. By 2000, all single-door and 60% of two-door refrigerator models met level 5 requirements, contributing to an estimated 21% reduction in overall refrigerator energy consumption.

The Polish Efficient Lighting Initiative, spearheaded by the World Bank, promoted a ‘green leaf’ product logo to identify high-quality and environmentally friendly products. In China, consumer education is fostered through retailer displays, product labels and a series of books on efficient lighting design for households and small businesses. Technological advances are also generating heightened consumer awareness, as well as new ways of understanding how energy in the emerging markets is used.

---

19 Power, Fertilizer, cement, iron and steel, chlor-alkali, aluminum, textile, and pulp and paper.
BREAKING DOWN TECHNOLOGICAL BARRIERS

Indeed, discussions of technological advancements in energy efficiency tend to focus on equipment upgrades and improvements in the physical components of facilities. This is suited to the here and now: at a household level, LED lights can now produce between 50 and 100 lumens per watt (lm/W) in normal working conditions. A traditional 60-watt incandescent bulb can produce about 750 to 1,000 lumens but 95% of the energy used to create that light is typically wasted in heat. The payback on investments in LED lighting is typically between one and three years. Within industry, efficiency upgrades to compressed air systems, for example, that are used for purposes as diverse as heating and cooling, railway breaking systems, and scuba diving, can recover 50% to 90% of lost thermal energy; more than 85% of electrical energy input into air compressors is usually lost as waste heat, leaving less than 15% of the electrical energy consumed to be converted into compressed air energy.

Increasingly, however, a holistic and system-wide approach that leverages advancements across various technologies is starting to define the energy efficiency business. Advancements in metering (often by way of connection with mobile phones) is one immediate example: the deployment of advanced metering infrastructure can increase the rate and volume of data generation. According to GTM Research’s report “The Soft Grid 2013–2020: Big Data & Utility Analytics for Smart Grid,” advanced meters create nearly 2,000 times the amount of data at 15-minute intervals compared to the traditional monthly readings of conventional meters. Such data can help companies make better energy decisions that result in financial and environmental gains. While such technologies are so far confined primarily to developed economies, their translation into the emerging market context should be achievable in the future.

---

Financing large numbers of attractive energy efficiency projects has proven difficult, primarily because the intrinsic nature of the projects and their broader setting make it hard for effective markets to develop naturally. As discussed, in some countries, price distortions may undermine incentives but in a growing number of other markets, this is not the case as a significant number of projects with attractive financial returns exists.

In markets like Brazil, China and India, the primary issue is one of bringing strong expertise to bear: for energy-efficient investments to be made, energy efficiency concepts must be marketed and specific projects identified, designed and evaluated. This requires marketing, project development, and technical assessment skills, typically provided by energy efficiency experts. For markets such as these, the main challenge is how to most efficiently access existing project development capacity.\(^\text{28}\)

The energy efficiency finance landscape is large and diverse, and is a critical part of the resources needed to support the efficiency market. To date, the major proportion of energy efficiency finance is provided by the private sector, much of it in the form of traditional commercial bank financing to businesses or households.\(^\text{29}\)

The most basic types of finance are debt, grants, guarantees and equity.
**Debt:** can be provided by the private or public sector in a variety of ways, from simple consumer loans to more complex models such as pooled loans and on-bill financing. Private financial institutions provide loans at market rates, whereas public institutions more often – but not always – provide concessional loans, e.g. at preferential rates. Funding from a private bank at a market interest rate can also be combined with public funding at below-market rates. A particular form of debt often used in the energy efficiency context is provided through dedicated credit lines. These lines typically involve public sector financing and are often used when private commercial banks are not financing many energy efficiency projects (e.g. due to a lack of knowledge and understanding of their characteristics, or limited liquidity).

**Guarantees** and other credit support mechanisms (insurance, derivatives) reduce or spread the risk of project debt. A guarantee is designed to encourage the lender (such as a commercial bank, for example) to provide a loan, normally these loans can be provided at a preferential rate as a result of credit enhancement mechanisms, or are provided only with the enhancement in the first place. Guarantees for energy efficiency are typically established by public entities to catalyze private investment (see Figure 2).

**Grants** are funds provided without any repayment obligation. In the context of energy efficiency, they are typically used for small-scale projects to incentivize households or businesses. They may cover all or part of an investment, e.g. in a specific piece of energy-efficiency equipment. Grants are generally public funds used, for example, to lower the capital requirements of an energy efficiency activity that would otherwise (potentially) not be carried out. Grants are often required to cover transaction costs associated with energy efficiency investments (such as energy audits and subsequent monitoring and verification), particularly when they are high relative to the size of the underlying transaction. For example, a USD 2,000 rebate for installing an energy-efficient boiler both reduces the upfront capital requirement and improves the risk/return profile of the investment.

**Equity** entails funding from investors who participate in a company; it represents an infusion of cash into the company without a contractual repayment obligation but with a potential revenue stream from dividends or enhanced stock sale values. A number of energy-efficient projects are financed through project companies, which may later acquire energy-efficient assets. Equity is expected to be an increasingly important source as markets develop.

---

Two approaches are being taken by commercial banks: demand-driven and strategy-driven approaches. The demand-driven approach involves repackaged product extensions, such as lending for commercial refits, mortgages extended to cover energy efficiency, or car loans for more energy-efficient cars. The strategy-driven approach assesses whether energy efficiency product types and target markets fit within a bank's existing strategy or portfolio mix. An example of the strategy-driven approach would be to introduce energy efficiency lending products as part of a multi-tiered programme to grow the SME business segment, with the objective of diversifying revenue and credit risk. The objective of the strategy-driven approach is to realize that existing clients' risk profile, and profitability can be improved by enhancing energy through measures such as replacing inefficient machinery to benefit industrial clients.

Commercial banks also play an important role in channelling public finance towards energy efficiency. Many development banks, for example, channel funds through local commercial banks, which in turn often provide complementary financing. This, for example, is the case for the various risk-sharing facilities in which commercial banks mobilize the actual liquidity that benefits from guarantee coverage. While the public sector can develop policy and regulatory instruments to overcome barriers and facilitate the scaling-up of investment in energy efficiency projects, it is private sector finance that remains key for the long-term growth and development of the energy efficiency market. Other sources are also emerging, including institutional investors who look for long-term investments with medium-term returns and low risk.

**KEEP IN MIND**

While the public sector can develop policy and regulatory instruments to overcome barriers and facilitate the scaling-up of investment in energy efficiency projects, it is private sector finance that remains key for the long-term growth of the sector.
CONCLUSION

It is easy to get excited about energy efficiency opportunities in emerging markets. Proven pockets of success, growing economies, improving regulatory environments and technological advances are all driving the potential of energy efficient solutions. As markets mature, a vast number of companies, public institutions, and public and private financiers are opening the way for a paradigm shift based on more efficient energy usage. As utilities and other providers obtain more information about how their consumers operate, the potential for efficiency also increases. The examples mentioned in this paper represent only a small part of the progress in the field of innovation and opportunity. Here, private sector financing is especially important when it comes to deploying the long-term capital needed to foster advances in efficiency, to reach end-users.

Embracing energy efficiency as a long-term growth sector in emerging markets is still a new concept for many. However, the opportunities are there. Just like novel microfinance investment vehicles unlocked previously inaccessible financing resources for individuals at the base of the pyramid, governments, companies and financiers are uncovering a deep well of energy efficiency opportunities that are slowly reshaping the way individuals and businesses in the developing world think about how they use energy. We have only begun to scratch the surface of what can be achieved.
The fourth example is the replacement by Indian farmers of the existing irrigation systems in their fields with energy-efficient drip irrigation systems. These modern systems are better for the soil and also lead to increased crop yields. The estimated amount of water saved is 47% in fields of sugar cane and 33% on banana plantations.

You make these investments possible. What are the main challenges you face?

The greatest challenge is to ensure that the need for energy efficiency is entrenched in people's minds. If we can convince decision-makers of the potential of state-of-the-art energy solutions, this opens the way for investments and makes it possible to seize economic opportunities.

At responsAbility, we strive to raise awareness of energy efficiency – primarily in our dialogue with top managers. They are often unaware of ways of lowering electricity consumption and thus saving money. We can make progress in this area if, for example, the top managers of a potential local financing partner are convinced of the benefits of energy efficiency. When talking to them about this, we present economic arguments, such as new market opportunities, cost savings and an enhanced image – making them more attractive to clients and the labour market. There is a growing desire among people in developing countries and emerging markets to work for ‘green companies’ and this helps us to promote energy efficiency.

What does it take to succeed when providing financing for energy efficiency?

Many developing countries and emerging economies are growing rapidly. Decision-makers in these countries face major management challenges on a daily basis. This means we must first capture their attention if we want to approach them about a new topic. Once we get to the point of being able to show them the business case, this represents a major step forward.

Many of these financial intermediaries do not yet have engineers with expertise in the area of energy efficiency. Co-investments can therefore make sense at first. They give our partners the guarantee that we share the same goals, are there to support them and will train their specialists in the process.

In a new market, it is typical for public sector funds to lead the way and make the first investments. Private investors come later and significantly leverage the impact of the initial investments. Our role is to open up these opportunities for investment and to present attractive projects to private investors. Our local partners define the niche area that they believe offers significant potential and is highly scalable. They then carry out initial financing to test the market and scale up their offering from there.
You define yourself as a partner to local banks. What does that mean?

Being a partner is all about engaging with one another on equal terms and joining forces to enter new markets. Our partner banks share the same interests as responsAbility and the companies that invest with us. We all stand to benefit when we identify new potential, supply additional capital and thus facilitate increased financing.

In specific terms, this partnership means that we don’t interfere with the business models of the banks concerned. They know their market and their organization and we trust their approach. We see ourselves solely as a consultant who is there to advise them on their new green lending business. Equally, we don’t try to implement one standard process. Instead, we concentrate on making the most valuable contribution we can: We demonstrate the business potential of development investments in the area of energy efficiency and we assist them in finding and financing lucrative projects.

Reliability and the rapid execution of processes is what local financial intermediaries want from us. Our role is to provide technical advice and to arrange the supply of long-term capital. It makes a big difference to them whether they can focus their green lending programme on a two or ten-year horizon. They also want a partner who is able to finance the growth of their programme at a later point in time.

You consider the provision of technical assistance to be important. How does it contribute to the success of financing?

In 2015, we carried out 16 Technical Assistance projects. For example, specialists selected by responsAbility are offering practical support and advice to a local bank that is setting up a green lending programme.

Our Technical Assistance teams are advising the bank on the implementation of green lending, the analysis of market potential and the development of new products. Our Technical Assistance offering is financially viable for us because we use it in a very targeted way. It is only deployed in a brief start-up phase and helps our partners to swiftly become independent. This is invaluable for us and our investors since local partners can then further develop the market on their own. All of our joint activities focus on achieving increased energy efficiency and on realizing specific profit targets and key performance indicators. Other institutions also offer technical assistance. If, in a next step, we could work together to ensure that our activities as market participants are better coordinated, we could achieve an increased impact.

Measures to improve energy efficiency require long-term access to capital. It is a question of finding investors who are prepared to make a long-term commitment and can act as reliable partners to local banks.

“...We all stand to benefit when we identify potential, supply additional capital and thus facilitate increased financing...”

Antoine Prédour

You consider the provision of technical assistance to be important. How does it contribute to the success of financing?

In 2015, we carried out 16 Technical Assistance projects. For example, specialists selected by responsAbility are offering practical support and advice to a local bank that is setting up a green lending programme.

Our Technical Assistance teams are advising the bank on the implementation of green lending, the analysis of market potential and the development of new products. Our Technical Assistance offering is financially viable for us because we use it in a very targeted way. It is only deployed in a brief start-up phase and helps our partners to swiftly become independent. This is invaluable for us and our investors since local partners can then further develop the market on their own. All of our joint activities focus on achieving increased energy efficiency and on realizing specific profit targets and key performance indicators. Other institutions also offer technical assistance. If, in a next step, we could work together to ensure that our activities as market participants are better coordinated, we could achieve an increased impact.

Measures to improve energy efficiency require long-term access to capital. It is a question of finding investors who are prepared to make a long-term commitment and can act as reliable partners to local banks.

You consider the provision of technical assistance to be important. How does it contribute to the success of financing?

In 2015, we carried out 16 Technical Assistance projects. For example, specialists selected by responsAbility are offering practical support and advice to a local bank that is setting up a green lending programme.

Our Technical Assistance teams are advising the bank on the implementation of green lending, the analysis of market potential and the development of new products. Our Technical Assistance offering is financially viable for us because we use it in a very targeted way. It is only deployed in a brief start-up phase and helps our partners to swiftly become independent. This is invaluable for us and our investors since local partners can then further develop the market on their own. All of our joint activities focus on achieving increased energy efficiency and on realizing specific profit targets and key performance indicators. Other institutions also offer technical assistance. If, in a next step, we could work together to ensure that our activities as market participants are better coordinated, we could achieve an increased impact.

Measures to improve energy efficiency require long-term access to capital. It is a question of finding investors who are prepared to make a long-term commitment and can act as reliable partners to local banks.

You consider the provision of technical assistance to be important. How does it contribute to the success of financing?

In 2015, we carried out 16 Technical Assistance projects. For example, specialists selected by responsAbility are offering practical support and advice to a local bank that is setting up a green lending programme.

Our Technical Assistance teams are advising the bank on the implementation of green lending, the analysis of market potential and the development of new products. Our Technical Assistance offering is financially viable for us because we use it in a very targeted way. It is only deployed in a brief start-up phase and helps our partners to swiftly become independent. This is invaluable for us and our investors since local partners can then further develop the market on their own. All of our joint activities focus on achieving increased energy efficiency and on realizing specific profit targets and key performance indicators. Other institutions also offer technical assistance. If, in a next step, we could work together to ensure that our activities as market participants are better coordinated, we could achieve an increased impact.

Measures to improve energy efficiency require long-term access to capital. It is a question of finding investors who are prepared to make a long-term commitment and can act as reliable partners to local banks.

You consider the provision of technical assistance to be important. How does it contribute to the success of financing?

In 2015, we carried out 16 Technical Assistance projects. For example, specialists selected by responsAbility are offering practical support and advice to a local bank that is setting up a green lending programme.

Our Technical Assistance teams are advising the bank on the implementation of green lending, the analysis of market potential and the development of new products. Our Technical Assistance offering is financially viable for us because we use it in a very targeted way. It is only deployed in a brief start-up phase and helps our partners to swiftly become independent. This is invaluable for us and our investors since local partners can then further develop the market on their own. All of our joint activities focus on achieving increased energy efficiency and on realizing specific profit targets and key performance indicators. Other institutions also offer technical assistance. If, in a next step, we could work together to ensure that our activities as market participants are better coordinated, we could achieve an increased impact.

Measures to improve energy efficiency require long-term access to capital. It is a question of finding investors who are prepared to make a long-term commitment and can act as reliable partners to local banks.

You consider the provision of technical assistance to be important. How does it contribute to the success of financing?

In 2015, we carried out 16 Technical Assistance projects. For example, specialists selected by responsAbility are offering practical support and advice to a local bank that is setting up a green lending programme.

Our Technical Assistance teams are advising the bank on the implementation of green lending, the analysis of market potential and the development of new products. Our Technical Assistance offering is financially viable for us because we use it in a very targeted way. It is only deployed in a brief start-up phase and helps our partners to swiftly become independent. This is invaluable for us and our investors since local partners can then further develop the market on their own. All of our joint activities focus on achieving increased energy efficiency and on realizing specific profit targets and key performance indicators. Other institutions also offer technical assistance. If, in a next step, we could work together to ensure that our activities as market participants are better coordinated, we could achieve an increased impact.

Measures to improve energy efficiency require long-term access to capital. It is a question of finding investors who are prepared to make a long-term commitment and can act as reliable partners to local banks.

You consider the provision of technical assistance to be important. How does it contribute to the success of financing?

In 2015, we carried out 16 Technical Assistance projects. For example, specialists selected by responsAbility are offering practical support and advice to a local bank that is setting up a green lending programme.

Our Technical Assistance teams are advising the bank on the implementation of green lending, the analysis of market potential and the development of new products. Our Technical Assistance offering is financially viable for us because we use it in a very targeted way. It is only deployed in a brief start-up phase and helps our partners to swiftly become independent. This is invaluable for us and our investors since local partners can then further develop the market on their own. All of our joint activities focus on achieving increased energy efficiency and on realizing specific profit targets and key performance indicators. Other institutions also offer technical assistance. If, in a next step, we could work together to ensure that our activities as market participants are better coordinated, we could achieve an increased impact.

Measures to improve energy efficiency require long-term access to capital. It is a question of finding investors who are prepared to make a long-term commitment and can act as reliable partners to local banks.

You consider the provision of technical assistance to be important. How does it contribute to the success of financing?

In 2015, we carried out 16 Technical Assistance projects. For example, specialists selected by responsAbility are offering practical support and advice to a local bank that is setting up a green lending programme.

Our Technical Assistance teams are advising the bank on the implementation of green lending, the analysis of market potential and the development of new products. Our Technical Assistance offering is financially viable for us because we use it in a very targeted way. It is only deployed in a brief start-up phase and helps our partners to swiftly become independent. This is invaluable for us and our investors since local partners can then further develop the market on their own. All of our joint activities focus on achieving increased energy efficiency and on realizing specific profit targets and key performance indicators. Other institutions also offer technical assistance. If, in a next step, we could work together to ensure that our activities as market participants are better coordinated, we could achieve an increased impact.

Measures to improve energy efficiency require long-term access to capital. It is a question of finding investors who are prepared to make a long-term commitment and can act as reliable partners to local banks.

You consider the provision of technical assistance to be important. How does it contribute to the success of financing?

In 2015, we carried out 16 Technical Assistance projects. For example, specialists selected by responsAbility are offering practical support and advice to a local bank that is setting up a green lending programme.

Our Technical Assistance teams are advising the bank on the implementation of green lending, the analysis of market potential and the development of new products. Our Technical Assistance offering is financially viable for us because we use it in a very targeted way. It is only deployed in a brief start-up phase and helps our partners to swiftly become independent. This is invaluable for us and our investors since local partners can then further develop the market on their own. All of our joint activities focus on achieving increased energy efficiency and on realizing specific profit targets and key performance indicators. Other institutions also offer technical assistance. If, in a next step, we could work together to ensure that our activities as market participants are better coordinated, we could achieve an increased impact.

Measures to improve energy efficiency require long-term access to capital. It is a question of finding investors who are prepared to make a long-term commitment and can act as reliable partners to local banks.

You consider the provision of technical assistance to be important. How does it contribute to the success of financing?

In 2015, we carried out 16 Technical Assistance projects. For example, specialists selected by responsAbility are offering practical support and advice to a local bank that is setting up a green lending programme.

Our Technical Assistance teams are advising the bank on the implementation of green lending, the analysis of market potential and the development of new products. Our Technical Assistance offering is financially viable for us because we use it in a very targeted way. It is only deployed in a brief start-up phase and helps our partners to swiftly become independent. This is invaluable for us and our investors since local partners can then further develop the market on their own. All of our joint activities focus on achieving increased energy efficiency and on realizing specific profit targets and key performance indicators. Other institutions also offer technical assistance. If, in a next step, we could work together to ensure that our activities as market participants are better coordinated, we could achieve an increased impact.
ABOUT RESPONSABILITY
responsAbility Investments AG is one of the world’s leading asset managers in the field of development investments and offers professionally-managed investment solutions to private, institutional and public investors. The company’s investment vehicles supply debt and equity financing to non-listed firms in emerging and developing economies. Through their inclusive business models, these firms help to meet the basic needs of broad sections of the population and to drive economic development – leading to greater prosperity in the long term.

RESPONSABILITY RESEARCH
research@responsAbility.com