



International Partnership
for Energy Efficiency Cooperation



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G20 Energy Efficiency Investment Toolkit launched at Clean Energy Ministerial in Beijing, showcasing its contribution to sustainable development and clean energy transition

- **The contribution of private financial institutions and development banks to energy efficiency policy priorities has been put in the spotlight at the Clean Energy Ministerial, a well-attended event which saw the Asian launch of the G20 Energy Efficiency Investment Toolkit**
- **The growing energy efficiency market now represents USD 221bn of opportunities delivering multiple benefits each year, but further global collaboration is needed to match the scale of the investment challenge and channel further capital into sustainable development.**
- **The Toolkit provides a set of voluntary options for policy makers to scale up energy efficiency policies and financing tools, showcasing current practices from 122 banks, institutional investors representing over USD 4 trillion, leading public financial institutions and insurance companies.**

Beijing, 6 June 2017— The 8th Clean Energy Ministerial in Beijing, China, saw the Asian launch of the G20 Energy Efficiency Investment Toolkit during a workshop on how to address the investment challenge at the heart of energy efficiency. The side event, which was opened by Zhao Huai Yong, Director, National Development and Reform Commission, China, featured best practice from private sector financial institutions, public development banks and policy-makers.

The Toolkit provides a set of voluntary options for G20 countries to scale-up energy efficiency investments and realise the significant economic, environmental and social benefits of energy efficiency in their economies.

An Guojun, Deputy Secretary General, Green Finance Committee of the China Society of Finance & Banking and Vice Chairman, China Social Investment Forum, said, “(t)he report provides a global view of innovation in energy efficiency financial instruments, which will direct more capital into the environmental protection industry and will be an impetus for growth in sustainable development internationally.”

The importance of channelling more capital into sustainable development, and the key role of energy efficiency in this regard, was also stressed by Chen Yaqin, Head of Environmental Finance Department, at the Industrial Bank of China, as an “alternative” route towards prosperity that showcases what “emerging economies could do to decouple economic growth and energy consumption”.

Chen Yaqin also underlined the importance to China of the “experiences of the G20 in promoting energy efficiency investment, in areas such as mechanism design, policy making, market-based solutions and stakeholder engagement.”

The important role of the G20 in exchanging best practices was also emphasized by Huo Zhong He, General Manager of CECEP Consulting. “The toolkit brings together the policy framework and advanced concepts in energy efficiency financing, along with innovative financial instruments and best practice cases”, he said, adding, “it provides valuable

information for strengthening international cooperation and drawing on successful experience of energy efficiency financing, and lays a sound foundation for expanding energy efficiency financing flows worldwide.”

Priscilla Lu, Managing Director Sustainable Investments, Alternatives at Deutsche Asset Management, noted the important role the Toolkit can play in contributing to the scaling up the global financing flows to energy efficiency. “Deutsche Asset Management, with its history of commitment to Environmental Social and Governance issues, is deepening efforts to integrate energy efficiency as one of its sustainability factors in portfolio investment decision making”, she stated.

She added that “the Toolkit sharpens the focus on global energy efficiency opportunities, and the need for new policies, business and financing models so as to more easily mobilize and channel finance to energy efficiency investments. It is an excellent framework for consensus building amongst the banking and development institutions on best practices, policies and implementation procedures.”

In order to put energy efficiency at the forefront of investment opportunities, Chen Yaqin underlined the importance of combining a “top-down policy framework and market-based solutions, therefore incentivizing the financial community to tap into this huge market, as exemplified by the Chinese approach to the energy efficiency challenge”.

The Toolkit collects experiences from 15 participating G20 countries, led by France and Mexico, and is produced and drafted by the G20 Energy Efficiency Finance Task Group (EEFTG) with the support and input of multiple stakeholders led by the International Partnership for Energy Efficiency Cooperation, UN Environment Programme Finance Initiative, and the International Energy Agency.

As no single stakeholder group can address the G20 energy efficiency investment challenge alone, this Toolkit provides a collaborative architecture through which G20 policy makers can engage in a structured dialogue with innovators from different classes of financial institution and jointly develop the new business and financing models which are needed to scale-up energy efficiency investments.

The G20 Energy Efficiency Investment Toolkit includes:

1. An assessment of current energy efficiency investment by sector and region;
2. A showcase for good practice exchanges on (i) enabling national policy framework design and (ii) implementing the *voluntary Energy Efficiency Investment Principles for G20 participating countries*;
3. A report on “best in class” instruments and approaches to encourage and increase energy efficiency investments among different types of private sector financial institutions (banks, long-term investors and insurance companies);
4. A joint consensus among public banks and development institutions around “best in class” instruments and approaches to scaling up their energy efficiency activities.

Supporting Quotes

Santiago Creuheras, Director General for Energy Efficiency and Sustainability at the Ministry of Energy (SENER), Mexico (Mexico is Co-Chair of the G20 EEFTG) said:

“Scaling up energy efficiency investments has been seen to deliver multiple benefits to the Mexican economy and is a central part of our Energy Transition as developed by our recently published Energy Efficiency Roadmap. For this reason we strongly urge our G20 partners to engage to jointly develop new tools to achieve this through this new Toolkit.”

Peter Sweatman, Rapporteur and technical lead for G20 EEFTG, said: “This Toolkit marks a turning point in G20 countries’ collaboration to scale up energy efficiency investments and finance. With 122 banks, over USD 4 trillion of investors, leading public financial institutions and insurers now engaged on this critical issue, we have the public, private and policy framework and engagement through which to build the energy efficient future growth that our participating G20 countries together envision.”

Benoît Lebot, Executive Director of the International Partnership for Energy Efficiency Cooperation, said: “For the energy transition that we face, energy efficiency has to be global, systematic, and deployed at the level of its known potential. To enhance energy productivity in G20 economies, embedding energy efficiency in investment processes is key, in particular through an enabling policy framework. The Toolkit addresses this important gap. I was very pleased to see the evidence and case studies showing strong progress by G20 countries in implementing the voluntary G20 energy efficiency investment principles. I encourage them to pursue implementation and focus more deeply on selected principles.”

Brian Motherway, Head of the Energy Efficiency Division at the International Energy Agency, said: “Energy efficiency is central to all energy policies of the future, and all governments are interested in how to drive progress. Investment is key, and offers opportunities for unlocking important, economically attractive activity that supports job creation, energy security and decarbonisation. This toolkit will provide valuable analysis and guidance, and demonstrates the value of global collaboration.”

James Vaccaro, Head of Corporate Strategy of Triodos Bank** stated: “This G20 Toolkit, which includes the current positioning of banks surveyed on energy efficiency which are increasingly mobilized, is the groundwork for an enabling environment and future development by banks of what represents true positive impact finance.”

Saker Nusseibeh, Chief Executive of Hermes Investment Management*** said: “As stewards of significant amounts of capital and as major real assets investors, institutional investors can play a key role in driving energy efficiency in their own public stocks and real holdings. They can also encourage investee companies through active engagement to improve their competitive position and the long-term investment value delivered to investors by maximising energy productivity.”

Mr Michael Menhart, Chief Economist of Munich Re (Group)**** said: “We support the insurers’ contribution to this important toolkit, a unique collaboration of countries with insights from the private financial sector. With its ability to manage and minimize risks, the insurance industry can offer solutions, products and services which help scale up energy efficiency investments.”

** Deutsche Bank AG is a member of UNEP FI and a member of the Institutional Investors Group on Climate Change*

*** Triodos Bank is a member of UNEP FI’s Global Steering Committee*

**** Hermes Investment Management is a member of UNEP FI’s Global Steering Committee and a member of the Institutional Investors Group on Climate Change*

***** Munich Re (Group) is a member of UNEP FI’s Principles for Sustainable Insurance Board*

Notes to editors

Key messages

- The overall energy efficiency market has grown to USD 221bn of annual investment which is integrated in buildings, transport and industry. Much of this is “invisible” to financial players, who tend to only identify “core” energy efficiency investments (such as the USD 24 billion of ESCO finance) as stand-alone projects where the delivery of energy savings is the lead driver of returns to the project owner. The actual energy efficiency opportunity is much larger, which points to the need for new business models and tools.
- Energy efficiency investment opportunities, whether “self-financed” or externally funded, are often hidden in business areas. The trillions of US Dollars of energy inefficient assets will be increasingly opened up by combined policy and technological advancements.
- The G20 Toolkit showcases good practices at national level, as well as providing insights into nine global policy-tracking databases, using the G20 *voluntary Energy Efficiency Investment Principles* as a framework for their comparison and evaluation.
- Public and private sector financial institutions are increasingly tackling the energy efficiency investment challenge by sharing their approaches and tools for joint development:
 - **122 banks** have declared their intent to take steps towards integrating energy efficiency into their mainstream bank financing by implementing bank-wide energy efficiency policies and giving increased visibility of their assets’ energy performance.
 - **Over USD 4 trillion of institutional investors** are driving greater visibility and engagement on energy efficiency by recognising that more explicit references in company disclosures and investment portfolios to energy efficiency is a way to promote its growth.
 - **Members of the UN Environment Programme Finance Initiative Principles for Sustainable Insurance (PSI)** are enabling a better understanding of the opportunities for energy efficiency insurance and insurers’ role in scaling up G20 energy efficiency investments.

Leading public financial institutions have come together to endorse a G20 Energy Efficiency Statement with joint development priorities to increase energy efficiency investments.

To download the *Summary for Policy-Makers*: Please click https://ipeec.org/upload/publication_related_language/pdf/621.pdf

To download the *Toolkit*: Please click https://ipeec.org/upload/publication_related_language/pdf/626.pdf

To download the *Case Studies*: Please click https://ipeec.org/upload/publication_related_language/pdf/616.pdf

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About the G20 Energy Efficiency Finance Task Group (EEFTG)

The Toolkit is the culmination of three years of close cooperation in the EEFTG. The task group is co-chaired by France and Mexico, with the UN Environment Finance Initiative and the International Partnership for Energy Efficiency Cooperation as part of the secretariat.

About the International Energy Efficiency Partnership (IPEEC)

IPEEC is an autonomous partnership of nations founded in 2009 by the Group of Eight (G8) to promote collaboration on energy efficiency. Its membership now includes 17 of the Group of 20 (G20) economies, which represent over 80% of global energy use and over 80% of global greenhouse gas emissions.

IPEEC provides information to decision makers in major economies, facilitating candid discussions for exchanging ideas and experiences on energy efficiency. It helps countries undertake joint projects to develop and implement energy efficiency policies and measures at a global scale.

About the UN Environment Finance Initiative (UNEP FI)

UN Environment Finance Initiative is a partnership between UN Environment and the global financial sector created in the context of the 1992 Earth Summit with a mission to promote sustainable finance. Over 200 financial institutions, including banks, insurers and investors, work with UN Environment to understand today's environmental challenges, why they matter to finance, and how to actively participate in addressing them. www.unepfi.org

About the International Energy Agency

The International Energy Agency, the global energy authority, was founded in 1974 to help its member countries co-ordinate a collective response to major oil supply disruptions. Its mission has evolved and rests today on three main pillars: working to ensure global energy security; expanding energy cooperation and dialogue around the world; and promoting an environmentally sustainable energy future.

Twitter: #G20EEIToolkit