

Facesheet(Tick one) **Project seeking APEC funding** **Progress Report** **Evaluation Report**(Tick one) **Operational Account** **TILF Special Account**

Project number: (To be filled in by Secretariat)	Date received by Secretariat:	Late / Not late <input type="checkbox"/> <input type="checkbox"/>
Name of Committee/Working Group: Expert Group on Energy Efficiency and Conservation/Energy Working Group		
Title of Project: Sustainable Financing System for Energy-Efficiency Projects		
Proposing APEC Member: USA		
Co-sponsoring APEC Member(s): Mexico, Peru		
Project Overseer: Name, Title and Organization (M/F) Mr. Andre Van Rest, APEC Program Manager U.S. Department of Energy		
Postal address: 1000 Independence Ave, SW Washington, DC 20585		Tel: 202-586-9793 Fax: 202-586-1605 Email: andre.vanrest@hq.doe.gov
Financial Information	Total cost of proposal (US\$): \$150,000.00	Amount being sought from APEC Central Fund (US\$): \$150,000.00
Type of Project: <input type="checkbox"/> seminar/symposium <input type="checkbox"/> short-term training course <input checked="" type="checkbox"/> survey or analysis and research <input type="checkbox"/> database/website <input type="checkbox"/> others (Please specify)		
Project start date: January 2003		Project end date: December 2004
Project Purpose: There are five purposes: <ul style="list-style-type: none"> • To increase trade in energy-efficiency goods and services in the APEC region; • To implement more energy-efficiency projects in APEC economies; • To strengthen local lending institutions in APEC economies; • To strengthen national and local governments; and • To improve the quality of public facilities such as hospitals, courthouses, and schools. 		
Signature of Project Overseer: (Separate written confirmation acceptable for email submission) Date:		
Signature of Committee Chair/WG Lead Shepherd: (Separate written confirmation acceptable for email submission) Date:		

ECOTECH Weightings Matrix

[Sustainable Financing System for Energy-Efficiency Projects]

Criteria	Supporting Information <i>(indicate paragraph number if details are in the project proposal)</i>	Linkage (1 point for each)
Responds to a <u>specific</u> instruction from Leaders/Ministers ¹	4 th Energy Ministers Meeting, Para. 4	1
Meets a core ECOTECH theme under the <i>Manila Declaration</i> ¹	Manila Declaration, Para. 4	1
Responds to the Common Policy Concepts, Activities and Dialogues identified in Part II of the <i>Osaka Action Agenda</i> ¹	Common Policy Concepts, Para. 4	1
Responds to a <u>specific</u> ECOTECH Initiative ²	Vancouver Framework for Infrastructure Development, Para. 9	1
Improves skills, including in new technologies	Paras. 8, 10	1
Builds capacity and strengthens institutions	Paras. 8, 10	1
<u>Measurably</u> improves economic efficiency/performance ³	Para. 10	1
Is of <u>practical</u> benefit to the private/business sector; has private/business sector <u>participation</u> ; and/or <u>funding</u> ⁴	Paras. 6,7	2
Assists economies attain sustainable growth and equitable development, while reducing economic disparities among APEC economies and improving economic and social well-being	Paras. 6, 10	1
Supports a TILF objective, as laid down in Part I of the <i>Osaka Action Agenda</i> ¹	Sects. C3a, C4b, and C5c, Para. 4	1
Disseminates information including through seminars/websites/databases ⁵	Paras. 3, 10	0
Outline the <u>outcome</u> and how members will benefit ⁵	Paras. 6, 10	0
	Net Score	11

Footnote

- ¹ Identify which instruction/ECOTECH theme/OAA element.
² See <http://www.apecsec.org.sg/ecotech/index.html>
³ Policy outcomes that include development of energy efficiency guidelines, food safety standards etc
⁴ One point for each element up to a maximum of 3 points.
⁵ Not scored

Remarks (Please indicate if not applicable e.g., for TILF projects. Additional information in support of projects which do not score highly may also be provided here by the Lead Shepherd/Chair).

A. Project Design**Project**

01. Name of project.

Sustainable Financing System for Energy-Efficiency Projects

02. Name of the working group or committee taking responsibility for the project and the dissemination of its results.

Expert Group on Energy-Efficiency and Conservation/Energy Working Group

Objectives

03. Describe briefly how you will measure your results (in the short and longer term) to know if your project has been successful. (You must provide detailed assessment measures in paragraph 19)

This project strengthens institutions for financing energy-efficiency projects in two APEC member economies initially. These two prototypes can be used as models for other APEC economies. In the short term, the results can be measured by increases in the number of energy-efficiency projects and the amount of energy savings in the two economies. In the long run, the measurement metric is the number of other APEC economies that adopt this approach to strengthening financial institutions.

04. How, briefly, this project responds to the priorities set by APEC Leaders and Ministers, as evidenced by parts of the APEC Action Agenda including Action Program, work plan, vision statement, and policy statement that relate to this project.

The proposal is consistent with the themes set forth in the Manila Framework (8th Ministerial Meeting, November 22-23, 1996), especially:

- Strengthen Economic Infrastructure to eliminate bottlenecks to economic growth, especially in such areas as telecommunications, transportation, and energy in order to further integrate members into the regional economy, and the region into the global economy.
- Harness Technologies for the Future to ensure that APEC joint activities promote the flow and expand the capacities of its members to absorb existing industrial science and technology as well as develop new technologies for the future, thus promoting a free flow of information and technology;

The proposal is consistent with the energy policy principles established by the Working Group on Regional Energy Cooperation in October 1994 and recently endorsed by energy ministers (4th Ministerial Meeting, May 10-12, 2000), especially principles:

2. Pursue policies for enhancing the efficient production, distribution and consumption of energy.
 3. Pursue open energy markets for achieving rational energy consumption, energy security, and environmental objectives, recommending action in the appropriate forum of APEC to remove impediments to the achievement of these ends.
 6. The regular exchange of experience on the various policies being used by member economies to achieve a more rational energy consumption.
 8. Promote the adoption of policies to facilitate the transfer of efficient and environmentally sound energy technologies on a commercial and non-discriminatory basis.
 12. Promote capital flows through the progressive removal of impediments to the funding of the transfer and adoption of more energy efficient and environmentally sound technologies and infrastructure.
05. For applications under the TILF Special Account: How briefly this project contributes to APEC Trade and Investment Liberalisation and Facilitation (e.g. relevance to specific parts of the Osaka Action Agenda).

The lack of financing for energy-efficiency products is a barrier to trade in those products. Strengthening the financing mechanisms for energy-efficiency products will facilitate trade in those products. This project strengthens financing mechanisms.

The proposal supports the following objectives in Part I of the Osaka Action Agenda:

- Section C3a: “APEC economies will achieve free and open trade and investment in the Asia-Pacific region by progressively reducing restrictions on market access for trade in services.”
- Section C4b: “APEC economies will achieve free and open trade and investment in the Asia-Pacific region by facilitating investment activities through, *inter alia*, technical assistance and cooperation.”
- Section C5c: “APEC economies will . . . achieve mutual recognition among APEC economies of conformity assessment in regulated and voluntary sectors.”

The proposal responds to Part II of the Osaka Action Agenda:

- Section B4: “APEC economies will seek to accelerate infrastructure improvement, facilitating investment in infrastructure and encouraging business/private sector involvement.”
- Section B5b, Energy, Common Policy Concepts: “APEC economies will set priority on facilitating investment in the energy sector.”

Linkages

06. The kinds of institutions in member economies intended to benefit from the results of the project. Highlight the direct benefits to the institutions, the types of business in member economies which will benefit from the results of the project and what the direct benefits are.
- Exporters will have a greater chance to trade because of increased financing.
 - Local lending institutions will develop the long-term indigenous capacity to organize financing for energy-efficiency projects.
 - National and local governments will improve the delivery of government services.

07. How the participation of the business/private sector and non-governmental institutions has been sought or will be sought. Illustrate how the business/private sector has been involved in the planning and delivery of the project and whether any other APEC fora have been consulted. (*)

The lending institutions themselves are private-sector firms that will strengthen their capabilities to finance cost-effective energy-efficiency projects.

08. How this project will add “APEC value” (as to the potential benefits of implementing projects) in the context of other work that might have been done elsewhere in the same field. (*)

This project will facilitate trade in the APEC region.

09. An indication of how the project might contribute to related projects or activities in APEC or elsewhere.

The project is consistent with the Vancouver Framework for Enhanced Public-Private Partnerships in Infrastructure Development.

10. Describe the deliverables of the project and demonstrate how they will meet the needs of the targeted beneficiaries.

- Standard energy-efficiency financing documents, including energy service contract, loan agreement, escrow agreement, and other related legal agreements for dissemination to local governments and financial institutions.
- Ownership, management, and operational guidelines for a government-supported financial intermediation facility.
- Business plan for financial intermediation facility.
- National energy conservation targets for government facilities.

These deliverables will create effective institutions for financing energy-efficiency projects. The institutions target borrowers (local governments) and lenders (the financial institutions). These institutions can then be applied economy-wide to attain the government’s larger national energy-efficiency targets.

Methodology

11. A concise description of the project's methodology.

For each of two prototype economies:

- Identify funding sources for municipal energy-efficiency projects in one municipality of two economies and prepare presentation materials for potential investors.
- Conduct analysis to identify legal, policy, and financial impediments to project financing.
- Develop innovative financial structure to overcome impediments that can be replicated for other projects.
- Draft standard energy-efficiency financing documents, including energy service contract, loan agreement, escrow agreement, and other related legal agreements for dissemination to local governments and financial institutions.
- Identify appropriate government facilitator of municipal energy-efficiency projects to identify projects, provide government support, manage disbursement of funds, impose sanctions, and conduct post-project evaluations.
- Develop ownership, management, and operational guidelines for a government-supported financial intermediation facility.
- Develop business plan for financial intermediation facility.
- Develop national energy conservation targets for government facilities.

12. A timeline for circulation and submission of this project proposal with drafts circulated well in advance to fora to allow careful consideration.

A draft proposal will be circulated to EGEE&C delegates two weeks prior to the EGEE&C meeting on 10-12 April 2002. If approved by EGEE&C delegates, the proposal will be forwarded to the EWG Secretariat for their review and approval. The EWG Secretariat will then make it available to EWG representatives on the EWG website well in advance of the EWG meeting in May 2002.

13. A timetable for the accomplishment of each component in (11).

The due dates for each of the activities are:

- | | |
|--|----------------|
| • Identify funding sources for municipal energy-efficiency projects... | March 2003 |
| • Identify legal, policy, and financial impediments..... | June 2003 |
| • Develop innovative financial structure | September 2003 |
| • Draft standard energy-efficiency financing documents | December 2003 |
| • Identify appropriate government facilitator | March 2004 |
| • Develop ownership, management, and operational guidelines..... | June 2004 |
| • Develop business plan | September 2004 |
| • Develop national energy conservation targets | December 2004 |

14. The number of APEC member economies that will participate in this project. Please indicate the names of member economies participating in each component of the project as set out in (11). (*)

The United States, Mexico, and Philippines will participate in the project.

Budget

15. An itemized budget for the project, including provision for any publication and dissemination of project results, in the prescribed format. Applications under the Operational Account should use the format at *Annex A1*. Applications under the TILF Special Account should use the format at *Annex A2*. The budget should illustrate the assumptions adopted (e.g. unit costs) for the computations.

The budget for the project is:

• Identify funding sources for municipal energy-efficiency projects...	\$15,000
• Identify legal, policy, and financial impediments.....	\$15,000
• Develop innovative financial structure	\$15,000
• Draft standard energy-efficiency financing documents.....	\$22,500
• Identify appropriate government facilitator	\$22,500
• Develop ownership, management, and operational guidelines.....	\$15,000
• Develop business plan	\$30,000
• Develop national energy conservation targets	\$15,000
Total	\$150,000

A detailed budget is in Annex A1.

16. A timetable for the drawdown of APEC funding requested for the project, including details of any advance payment or instalment payment requested and justifications for such requests.

10%	March 2003
20%	June 2003
30%	September 2003
45%	December 2003
60%	March 2004
70%	June 2004
90%	September 2004
100%	December 2004

17. Details of any request for waiver or exception from the normal APEC financial rules with justifications.

There is no request for waiver or exception from the normal APEC financial rules.

Dissemination of Project Output

18. A plan for the publication and dissemination of the results of the project, including:

- a. the nature of the target audience, and, based on that audience;

The target audience is government policymakers and financial institutions.

- b. the form and content;

Written report.

- c. format (e.g. hard copies, floppy discs, internet uploading);

Internet uploading.

- d. number of copies for the publication;

Not applicable.

- e. accessibility of results for the targeted audience;

World-wide web.

- f. a publicity plan for:

i) briefing the general or specialist media about key components of the project;

ii) the promotion of sales or other dissemination of the final product; and

The report will be advertised on APEC web sites.

- g. a budget for publication and dissemination, to form part of the itemized budget.

\$5,000.

Assessment of Project

19. With reference to your objectives stated in paragraph 3, provide detailed criteria (quantitative and qualitative) for how you will measure your results in the short and long term to know if your project has been successful. State your current benchmarks for measurement, your target results from the project for each measurement criterion and the range of acceptable results both in numerical and percentage terms, where possible.

In the short term, the amount of energy savings in the two prototype municipalities will be the measurement criterion. In the long term, the number of APEC economies that adopt the energy-efficiency financing mechanism developed in this project will be the measurement criterion.

Gender Criteria for Formulation and Evaluation of Projects

Objectives

1. Show how the objectives of the project provide benefits for women, where appropriate. APEC Ministers have indicated (*Framework for the Integration of Women in APEC*) that benefits might include: increased involvement of women; taking account of the differences in women's and men's lives (gender analysis); and collection/use of sex-disaggregated data.

Men and women benefit equally from this project.

Linkages

2. Show how the participation of women has been/will be sought. Show how women are involved in the planning, management, allocation of resources, and implementation of the project.

To the extent that women have expertise in selecting and financing energy-efficiency projects, they will be selected to participate.

Methodology

3. Provide a brief description of the way women will be able to participate equitably in the development and implementation of the project.

The expertise required to undertake the study is gender-neutral. Women will be allowed to participate to the extent they have expertise in energy financing.

4. Provide a brief description to show that the project will collect and use sex-disaggregated data (if available) to measure the project's effects on women.

Not applicable to this project.

Dissemination of project output

5. Does the plan for the publication and dissemination of the project's results include communication methods that are appropriate for women?

Yes.

Budget

6. Are women involved in making decisions on the allocation of resources?

To the extent that women have expertise in energy financing, they will be involved in allocating resources for the project.

7. Where appropriate, provide details of the project's budget that are allocated to activities that

address the specific needs of women.

The activities in this project are gender-neutral.

Assessment of project

8. Provide details of how the project proponent will assess whether he/she has met the gender criteria for APEC projects and how he/she will measure the impact of the project on women.

The subject matter of the project is gender-neutral.

* * * * *

**APEC TILF Special Account
Itemized Budget for Financial Year 2003***

(Please tick ✓.)

This project is:

- a seminar, symposium or short-term training course
 a survey or analysis and research project
 neither the above but involves the provision of equipment

Items			APEC Funding (USD)	Self Financing (USD)
<i>Direct Labour</i>	No. of Hours	Rate		
- Speaker's Honorarium				
- Translator's Fees				
- Short-term clerical and secretarial staff remuneration				
- Consultant (including Researcher) Fees	2,560	\$50.00/hour	\$128,000	
- Consultant's Secretary Cost				
<i>Travel</i>				
- Per Diem (incl. accommodation and "additional payment")			\$10,000	
- Airfare			\$12,000	

* If project straddles more than one year, please indicate only the amount of funds required for the financial year in question.

	No. of Copies	Unit cost
<i>Publication of report</i> (including distribution)		
<i>Equipment / Materials</i> (pl. describe briefly what is required and why)		
<i>Photocopying</i>		
<i>Communications</i> (Phone/ Fax/ Mail/ Courier)		
<i>Hosting</i> (pl. briefly describe, e.g., conference room rental, stationery)		
<i>Total</i>		\$150,000