

2nd Indonesia Clean Energy Finance and Investment (CEFI) Training Week (Yogyakarta, 19-23 June 2023)



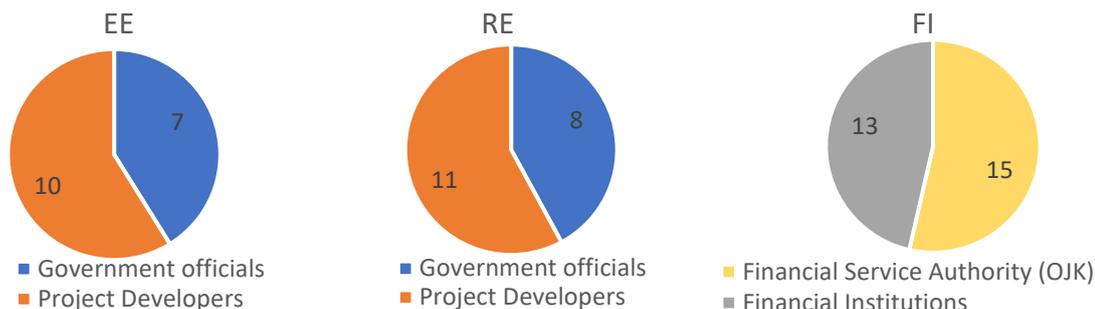
On 19-23 June 2023, the OECD's Clean Energy Finance and Investment Mobilisation (CEFIM) Programme, Indonesia's Ministry of Energy and Mineral Resources (MEMR)'s Human Resources Development Agency and Renewable Energy and Energy Efficiency Training Centre, and the Indonesian Financial Services Authority (OJK) Institute, together with GiZ Clean Affordable and Secure Energy for Southeast Asia (GiZ CASE) project, USAID Sustainable Energy for Indonesia's Advancing Resilience (USAID SINAR), successfully organised the 2nd annual Clean Energy Finance and Investment (CEFI) training in Yogyakarta, Indonesia.

This 2nd annual training week brought together national and provincial governments, project developers, and financial institutions in one place to discuss financing and regulatory updates, barriers and solutions for renewable energy and energy efficiency projects in Indonesia. This training is part of a three-year annual training week, with the first annual training week held in Fall 2022. The training week is organised by CEFIM, with funding from Germany through Sustainable Infrastructure Programme in Asia (SIPA).

To strengthen the delivery of the training programme, improve efficiency and reduce overlap, building on lessons from the first training week, the OECD CEFIM Programme worked with GiZ CASE and USAID SINAR to deliver the training under a consortium of development partners. A shared approach to training with others with the same concerns on clean energy finance and investment training is key to improving the impact and value to development partners.

Participants

64 selected participants attended the training, including 15 government officials, 21 project developers, 15 financial service authorities and 13 financial institutions. From the government side, this training week has been attended by key policy-making stakeholders on clean energy development, i.e., the Ministry of Development Planning (Bappenas), the Ministry of Energy and Mineral Resources (MEMR) both from the central and provincial levels, the Ministry of Finance (MoF), and Ministry of Environment and Forestry (MoEF). On the project developer side, a wide range of industry sectors have joined the training week, including food and beverages, textile, fertiliser, ESCOs, and renewable energy (solar, wind, biogas, hydro, and geothermal). Financial services authorities (OJK) and financial institutions ranging from Indonesian infrastructure guarantee, commercial banks, and insurance companies have joined the training. The summary of participants across each course is depicted in the Figure below:



Training overview

The training included three courses: 1. energy efficiency (EE) finance; 2. renewable energy (RE) finance; and 3. clean energy finance and investment for financial institutions (FI) course. The EE and RE finance courses included participants from governments and project developers, while the FI course consisted of participants from Indonesia Financial Service Authority (OJK) and financial institutions. EE and RE finance courses aimed to increase financial awareness to improve project bankability and policies. At the same time, FI courses aim to enhance the capacity to undertake project due diligence and develop new innovative financing mechanisms.

The three courses included some integrated sessions to bring together the three groups to facilitate networking and develop solutions to better address the market's current financing challenges. During training week, international and national trainers and facilitators delivered the materials, which included: Introduction to EE financing, EE project cycle, EE financing solutions, EE financing solutions for industries, risk management in EE financing, EE financing for financial institutions, financial analysis of RE project, financial instrument and de-risking for RE project, structure and risk allocation of the power purchase agreement (PPA), RE financing agreement structure, EE risk management and due diligence, and ESG aspects of RE and EE projects. I enclosed the training schedule for your reference.

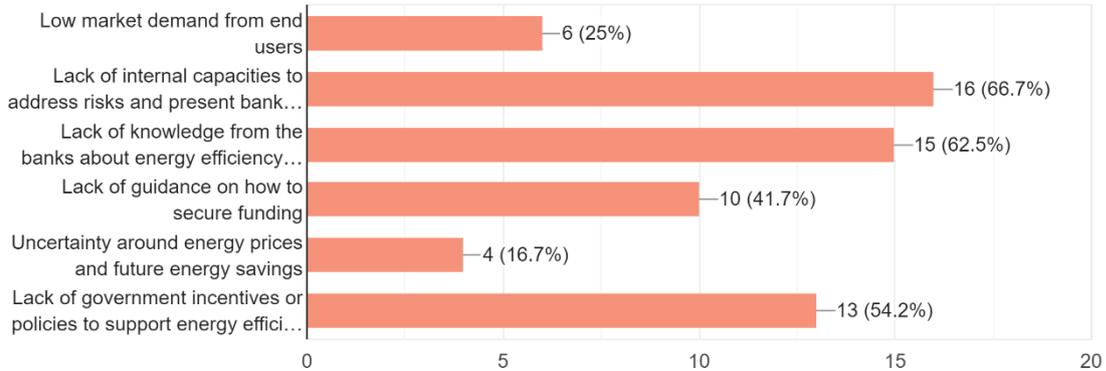
Besides providing capacity building to fill the knowledge gap of those three core stakeholders, the training also offered a unique platform for networking to facilitate the development of partnerships, share experiences and develop new ideas to support innovative financing solutions for clean energy projects. WhatsApp groups have been created to enable information sharing among participants of the 2nd training week. We also organised site visits to selected renewable power (micro hydro) and energy efficiency projects (food and beverage and textile industry) to give participants actual exposure to RE and EE projects. In addition, two EE and 2 RE projects were selected to be presented by EE and RE course groups to the financial institution group to get feedback to improve project bankability. The overall programme structure of the training is enclosed in case of interest.

The outcome of substantive discussions on challenges and solutions to unlock financing for clean energy

The training includes some integrated sessions between participants of each three courses. Participants were grouped into seven groups, each combining participants from EE, RE, and FI courses. A facilitator accompanied each group to brainstorm solutions to address clean energy financing challenges faced by the market from the perspective of government, project developers, and financial institutions. Group representatives presented the result of their discussion, followed by comments from other groups and reflections from the trainers. Polls were administered to gather participants' perceptions of challenges and solutions to unlock financing for renewable energy and energy efficiency projects. The result of the polls is as follows.

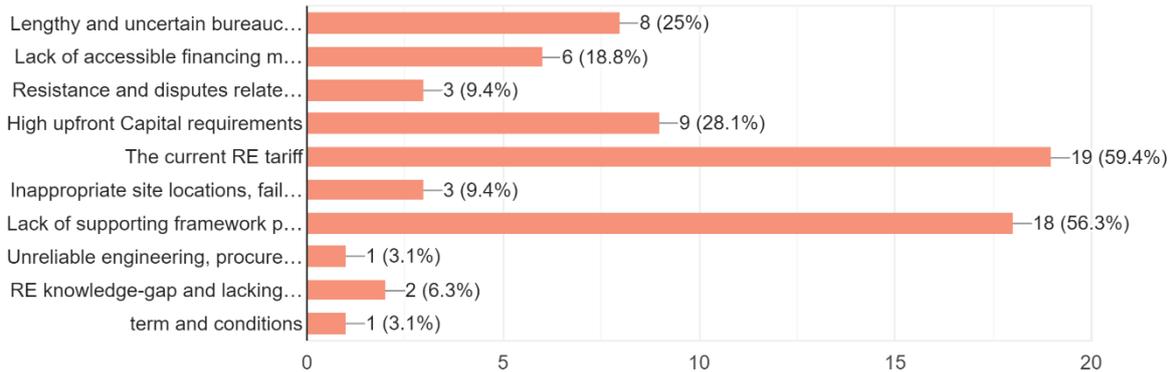
What are the challenges faced by Energy Efficiency project developers and ESCOs in financing EE projects (Choose 2)

24 responses



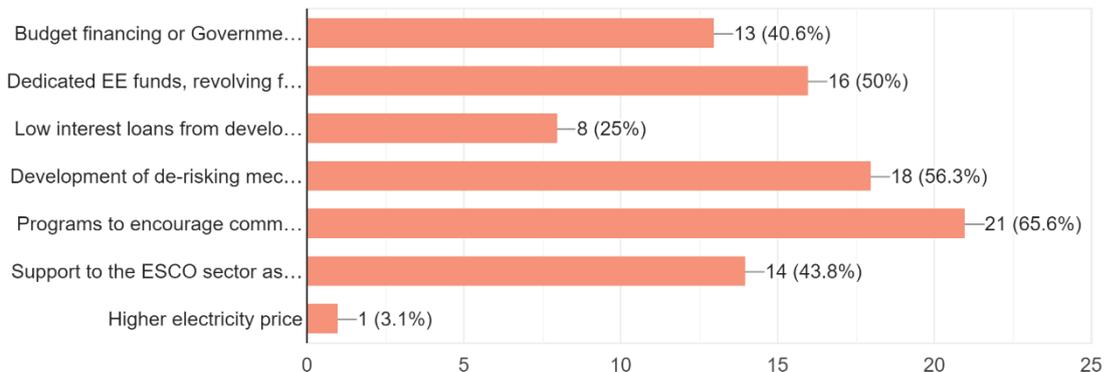
What are the challenges faced by RE project developers in financing RE projects (Choose 2)

32 responses



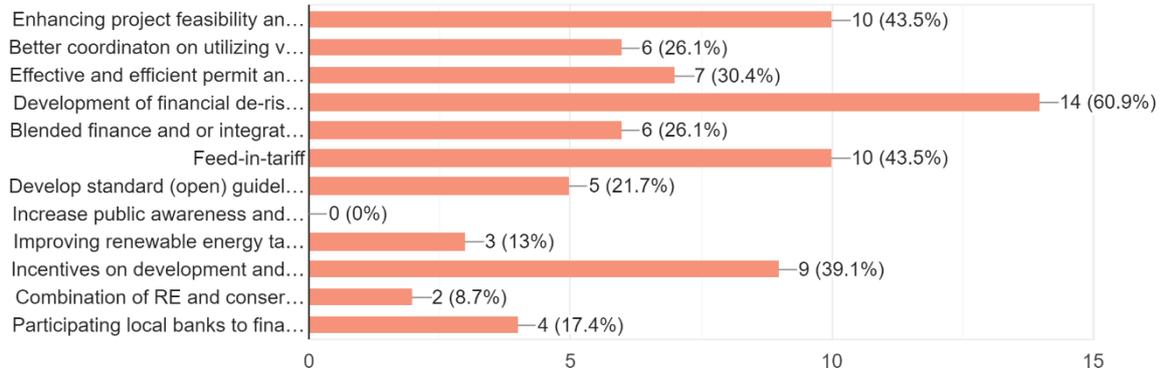
What EE Financing interventions and solutions would help the most in overcoming identified challenges? (Choose three)

32 responses



What RE Financing interventions and or solutions would help the most in overcoming identified challenges? (Choose three)

23 responses



Selected photos of the event



Overall training programme schedule

Sunday 18 June	Monday 19 June	Tuesday 20 June	Wednesday 21 June	Thursday 22 June	Friday 23 June
	8:30-9:00 Pre-Test	8:30-10:00 Session 3	8:30-10:00 Session 6	8:30-10:00 Session 8	7:00-12:00 Session 9
	9:00-12:00 Session 1: Opening and regulation updates	10:30-12:00 Session 3 continued	10:30 – 12:00 Session 6 continued	10:30 – 17:00 Site visit to micro hydro PP, textile industry, food and beverages industry	Group session: Project pitches - 2 EE projects and 2 RE projects
	12:00-13:30 Lunch and prayer break	12:00-13:30 Lunch and prayer break	12:00-13:30 Lunch and prayer break		12:00-14:00 Lunch and prayer break
Participants to arrive at their convenience for check-in anytime from 3 pm	13:30 – 15:00 Session 2:	13:30 – 15:30 Session 4 Group session Understanding challenges faced by market actors	13:30 – 15:30 Session 7a Group session Solutions brainstorming for EE projects		Participants departure
Meeting of trainers 7 pm	15:30 – 17:00 Session 2 continued	15:30 – 17:00 Session 5:	15:30 – 17:30 Session 7b Group session Solutions brainstorming for RE projects		
	Free evening	Free evening	Free evening	Farewell dinner for all participants	

Note

- Plenary sessions
- Break out sessions

Contact

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