

# **BRIEF SUMMARY of ADB's ENERGY SECTOR OPERATIONS**

Aiming Zhou  
Senior Energy Specialist

On Behalf of  
Energy Community of Practice

March 2013

# Outline

## ■ Context

- The Development Agenda: Strategy 2020
- ADB Energy Policy in the Evolving Environment

## ■ Overview of the Energy Sector

- Volume by Type of Assistance
- Greening Evolution of Energy Agenda

## ■ Programs and Approaches

## ■ Role of RSDD

## ■ General Business Opportunities

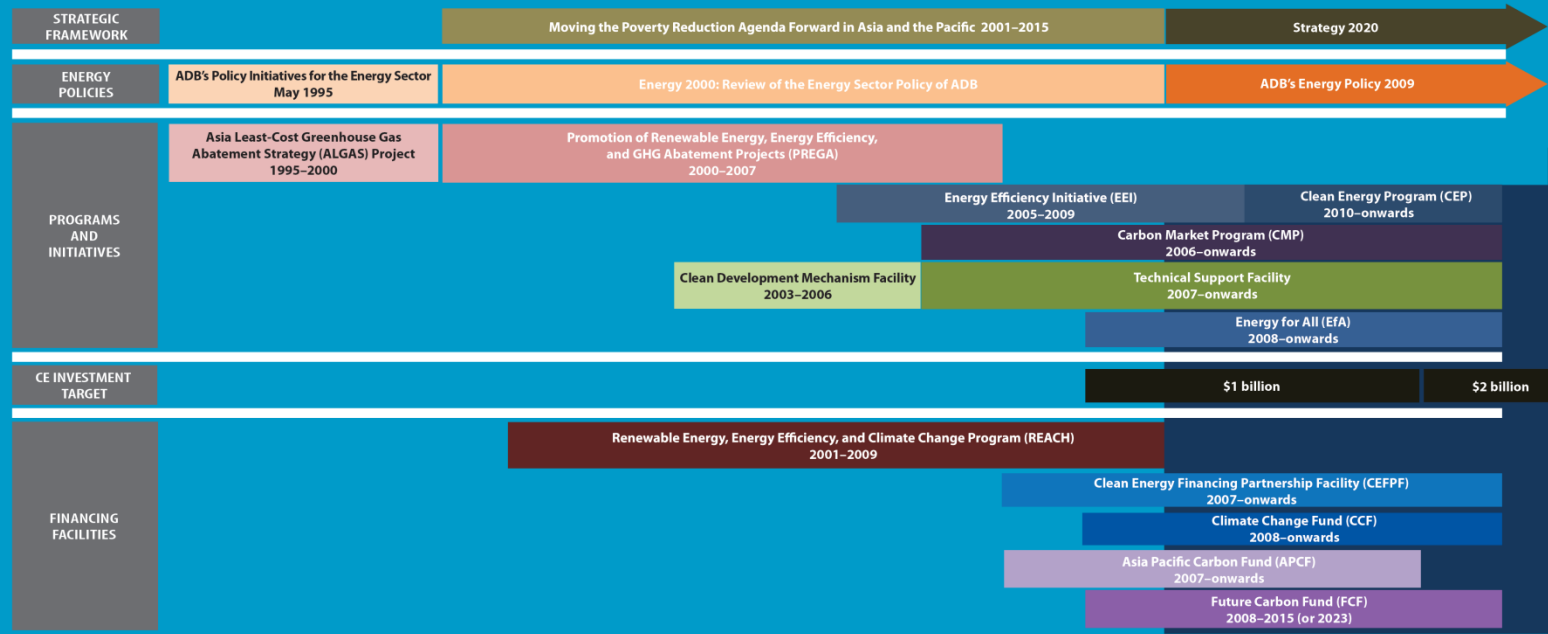
# STRATEGY 2020

## ■ Development Agenda

- Inclusive Economic Growth
- Environmentally Sustainable Growth (key: Climate Change)
- Regional Integration

## ■ Core Areas of Operation

- Infrastructure (key: energy)
- Environment
- Regional Cooperation and Integration
- Financial Sector Development
- Education



Leverage  
Connect  
Deliver

Asia's  
Low-  
Carbon  
Future

# **ADB Energy Policy:**

## **In the evolving environment**

- ❑ **ADB's First Energy Policy (1981):** response to the oil crisis
- ❑ **Second Energy Policy (1995):** infrastructure investment and developing financially robust and efficient sector operations
- ❑ **Energy Policy Review (2000):** reducing poverty, increasing private sector involvement, addressing environment impacts, promoting regional cooperation

# Energy Policy 2009

## ■ Energy Security

- Increasing demand for energy
- Volatility in energy prices

## ■ Climate Change

- Significance of global warming and climate change
- Need to promote low carbon emission options and technologies

## ■ Energy Access

- MDG targets cannot be met without modern energy for all
- 2.5 billion people rely on traditional biomass
- Mobilizing financing is challenging

# Energy Policy 2009 (continued)

Enabling energy operations to be aligned with ADB's overall strategy emphasizing **energy security**, facilitating a transition to a **low-carbon economy**, universal **access to energy**, and for achieving ADB's vision of a region free of poverty



## Three Pillars of the Energy Policy:

- Promoting energy efficiency and renewable energy
- Maximizing access to energy for all, especially for the poor
- Promoting energy sector reform, capacity-building & governance

# ADB's Clean Energy Program

## Objective

(ADB Energy Policy)

Reliable, adequate, and affordable energy for inclusive growth in a socially, economically and environmentally sustainable way

## Scope

### Lowering energy demand

- Improve efficiency in household, utility (water, gas, heating), transport, buildings and industrial applications

### Lower losses in energy supply

- Improve efficiency in transmission and distribution of electricity, gas and other fuels

### Lower CO<sub>2</sub> emissions

- Upgrade power generation technology, including carbon capture use and storage
- Waste reduction and use, including methane capture
- Use alternate fuels, electric vehicles, rapid and mass transit modes, bulk freight services

### Early commercialization of RE technologies

- Develop wind, solar, biomass (without conflicting food security), geothermal,
- Off-grid applications to provide Energy for All



# ADB Energy Policy: Yes

- ❑ Prioritize and broaden support for energy efficiency improvements and renewable energy projects
- ❑ Wide-ranging efforts to provide energy services for **inclusive growth**
  - Accelerate programs to extend energy services to communities and groups
  - Access to energy is essential to reducing poverty
- ❑ Promote effective **regional cooperation** in the energy sector to strengthen energy security
- ❑ Emphasize promotion of energy sector reforms, capacity building, and governance

## ADB Energy Policy: Yes (2)

- ❑ Encourage **private sector participation** (and public–private partnerships) to enhance efficiency through competition, and to increase investable resources, but not as the end objective of reforms
- ❑ All energy sector investments will comply with **ADB safeguards policies** regarding the environment, involuntary resettlement, and indigenous peoples
- ❑ Promote superior knowledge management and dissemination of good practices and lessons learned; support advocacy and assistance to DMCs in **technology transfer and deployment**

## ADB Energy Policy: Yes (3)

- ❑ Collaborate with a range of development partners
- ❑ Identify specific situation in each DMC while planning and designing interventions, especially for Pacific DMCs
- ❑ Monitor policy implementation using results framework

# ADB Energy Policy: No

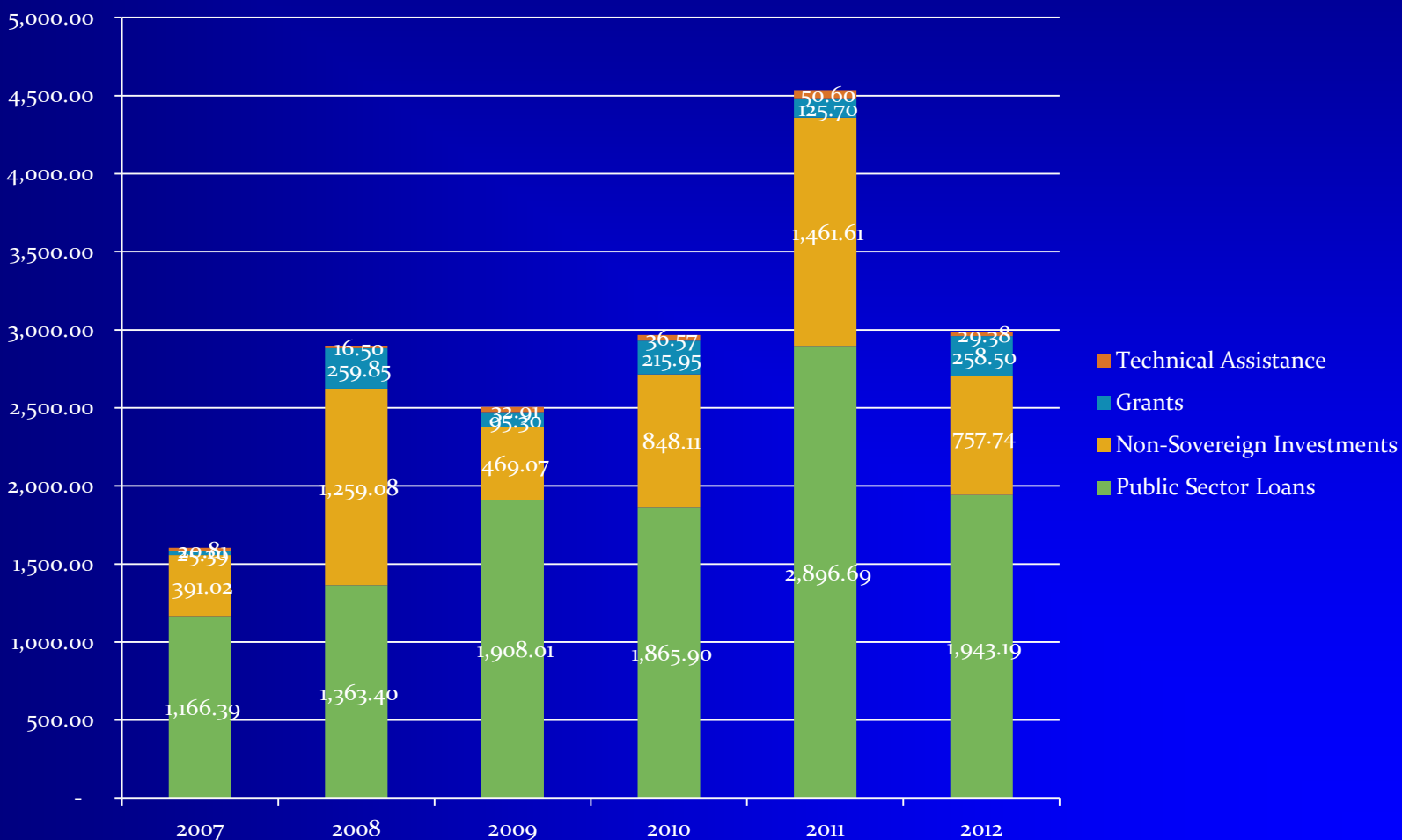
- ❑ No involvment of financing nuclear power generation
- ❑ Not involvment of financing coal mine development except for captive use by thermal power plants,
- ❑ Not involvment of financing oil field development except for marginal and already proven oil fields

# Energy Sector

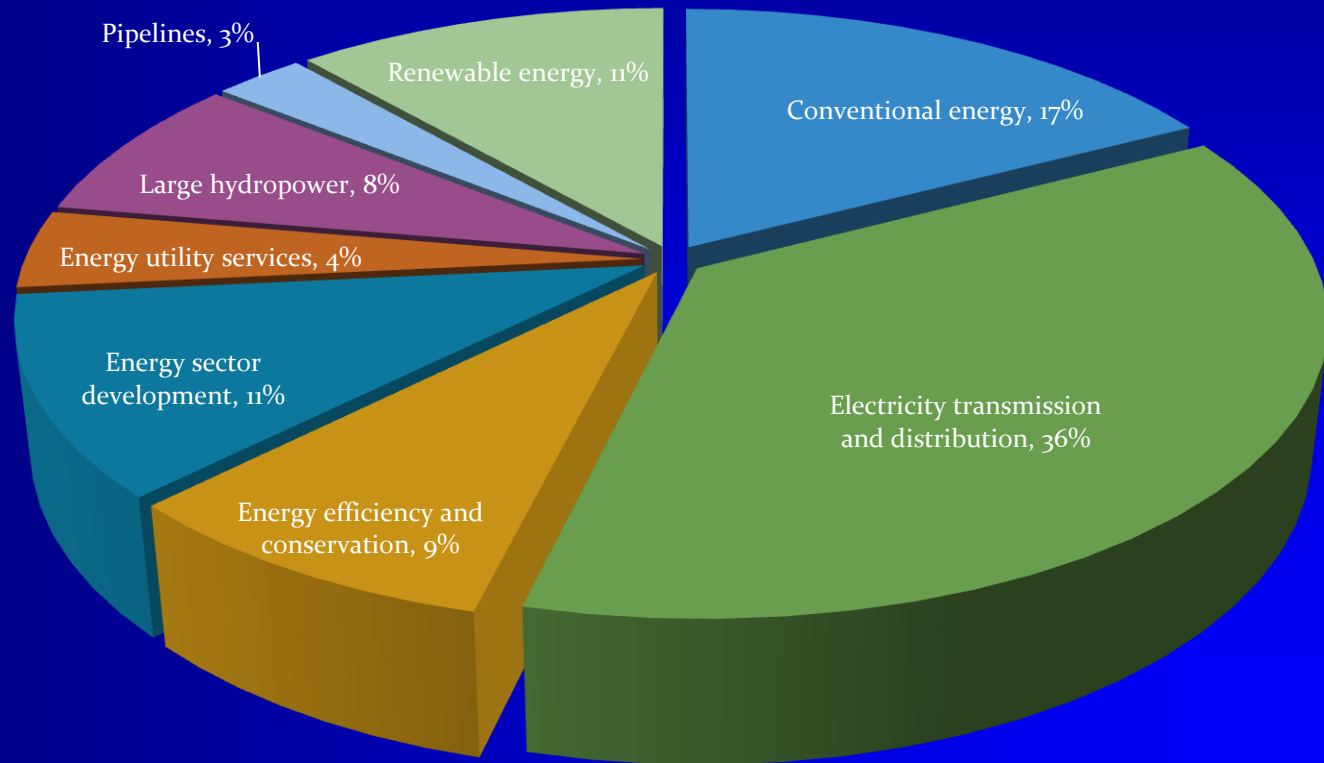
## Volume of assistance to energy sector, 2007-2012

Energy Sector Approvals, 2007-2012 (in US\$ million)				
Year	Public Sector Loans	Non-Sovereign Investments	Grants	Technical Assistance
2007	1,166.39	391.02	25.4	20.80
2008	1,363.40	1,259.08	259.9	16.50
2009	1,908.01	469.07	95.3	32.91
2010	1,865.90	848.11	215.95	37.26
2011	2,896.69	1,461.61	125.70	51.10
2012	1,943.19	757.74	258.50	29.38

# Energy Sector Lending, 2007-2012



# Projects by subsector (2001-2012)



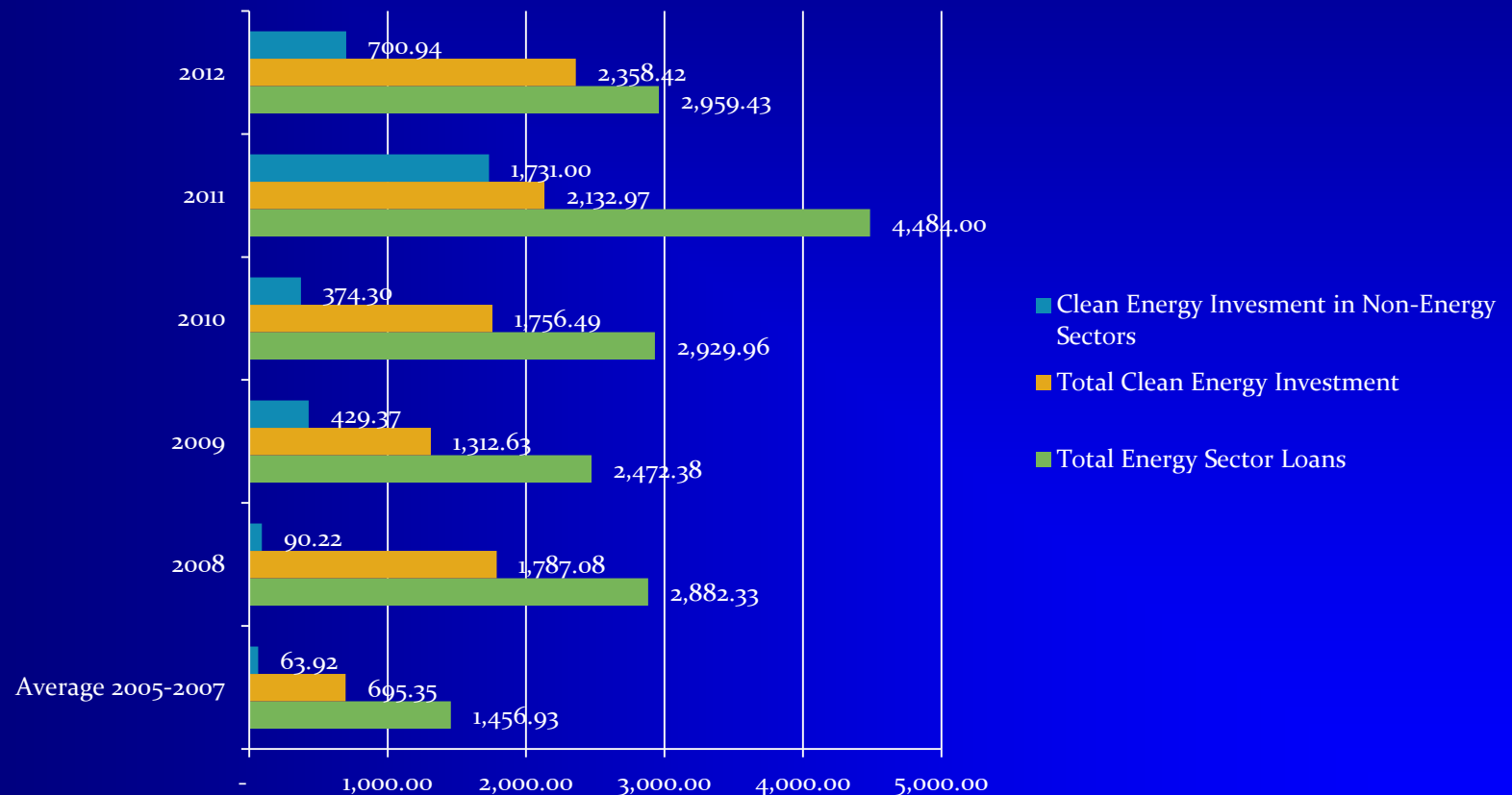
# The “Greening” of ADB's Energy Sector Operations

To accelerate low-carbon growth and reduce greenhouse gas emissions in the region, ADB set the following targets:

- \$1 billion annual target of clean energy investments, from 2008
- \$2 billion annual target of clean energy investments, from 2013



# ADB Assistance to CE Investment ( \$million)



# Programs and Approaches

- ❑ Clean Energy Program (2005)
- ❑ Carbon Market Program (2006)
- ❑ Energy for All Program (2008)
- ❑ Asian Solar Energy Initiative (2010)
- ❑ Technology Network and Finance Center (2012)
- ❑ Under preparation: Asia Energy Efficiency Accelerator (2013)

**Before**





# After



Photo Credit: OAS,



# Role of RSDD

- ❑ An anchor for sector and thematic strategic directions in key areas of ADB's operations
- ❑ A linking service to facilitate cross-fertilization of ideas and experiences between regional departments
- ❑ A knowledge center for capturing, consolidating, storing, and disseminating knowledge obtained through regional operations and by following international developments
- ❑ A reference center for the region on regional and international trends in sectors and thematic areas
- ❑ A center for developing new business areas, and developing and implementing new business concepts

# 2013 Asia Clean Energy Forum

**ASIA CLEAN ENERGY FORUM 2013**



**JUNE 25-28, Manila**



[www.asiacleanenergyforum.org](http://www.asiacleanenergyforum.org)

**THANK YOU**

Aiming Zhou

[azhou@adb.org](mailto:azhou@adb.org)

Regional and Sustainable Development Department