

ADB's ENERGY SECTOR OPERATIONS

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Outline

■ Context

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

■ Overview of the Energy Sector

- Volume by Type of Assistance
- 'Green-evolution' of the 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

ADB Energy Policy:

In the evolving environment

- ❑ **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

2009 Energy Policy Objective

“ To help DMCs to provide **reliable**, adequate, and **affordable** energy for **inclusive growth** in a socially, economically, and environmentally sustainable way”

2009 Energy Policy

Three Pillars

1. Promoting **energy efficiency and renewable energy**
2. Maximizing access to **energy for all**
3. Promoting energy sector **reforms, capacity building, and governance**

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** on 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 those in the Pacific
- ❑ Monitor policy implementation using results framework

ADB Energy Policy: No

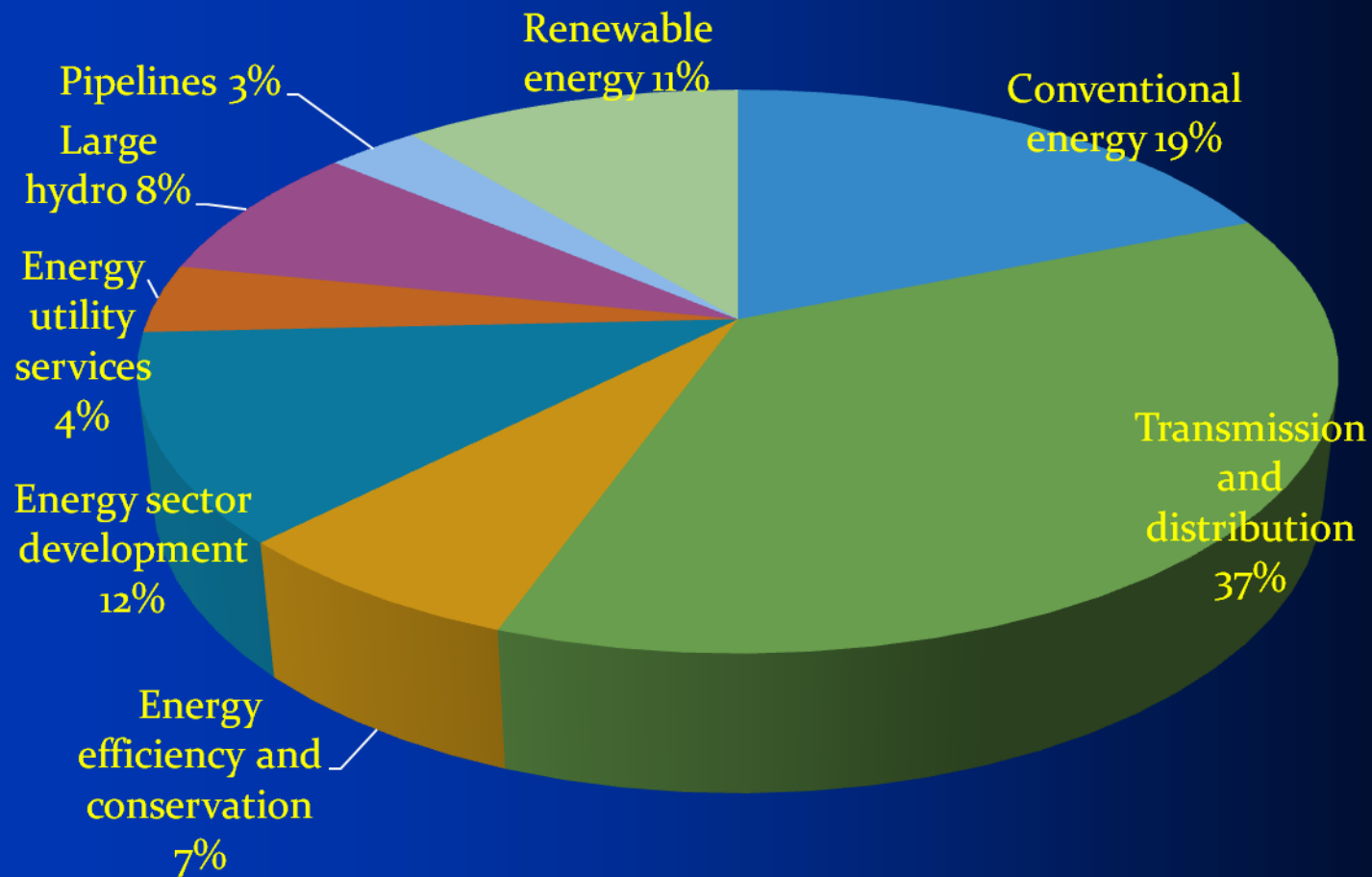
- ❑ No involvement in financing nuclear power generation
- ❑ No involvement in financing coal mine development except for captive use by thermal power plants,
- ❑ No involvement in financing oil field development except for marginal and already proven oil fields

Overview of ADB Energy Sector

Volume of assistance by type, 2006-2011

Energy Sector Approvals, 2006-2011 (in US\$ million)				
Year	Public Sector Loans	Non-Sovereign Investments	Grants	Technical Assistance
2006	1,019.50	602.60	11.6	13.60
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

Projects by subsector (2001-2011)

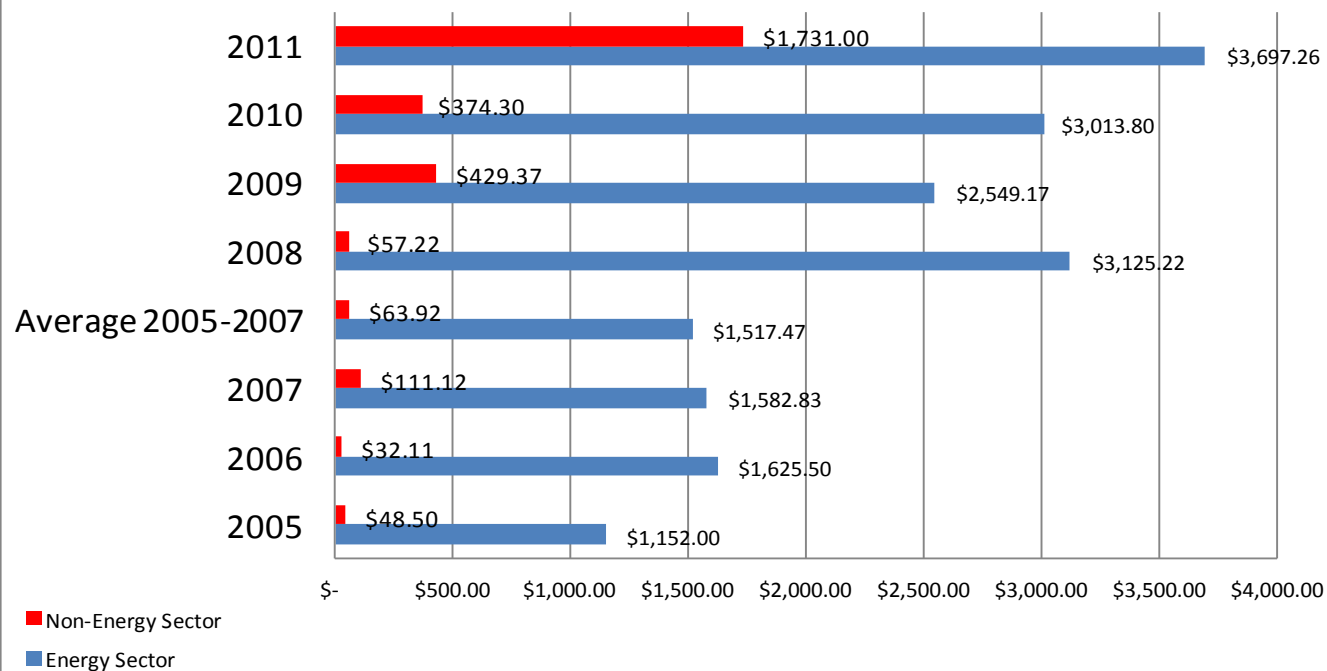


The “Green-evolution” of ADB's Energy Sector Operations

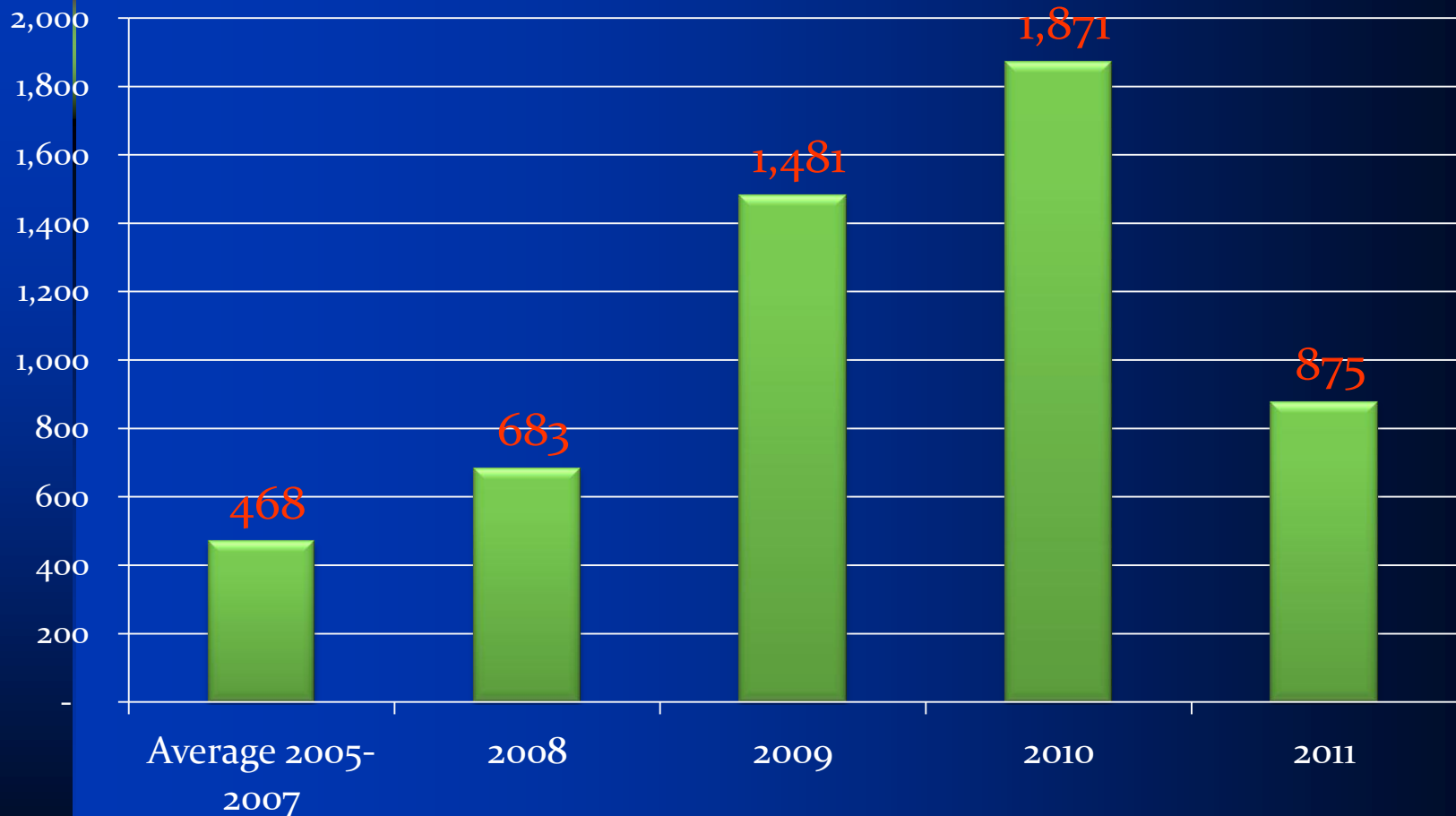
To accelerate low-carbon growth and reduce greenhouse gas emissions in the region, ADB has set the following targets:

- \$1 billion annual target of clean energy investments, from 2008
- \$2 billion annual target of clean energy investments, from 2013
- New target is under development for 2020

ADB Investment in Clean Energy, 2005-2011 (\$million)



Installed RE Power Generation Capacity (MW), 2005-2011



Programs and Approaches

□ Clean Energy

- Continue to catalyze clean energy investments using Clean Energy Financing Partnership Facility

□ Carbon Market Initiative

- Supports the development of clean energy, energy efficiency, and GHG abatement projects in DMCs that are eligible under the CDM of the Kyoto Protocol
- Asia Pacific Carbon Fund and Future Carbon Fund

Programs and Approaches

□ Energy for All Initiative

- Target: provide energy access to 100 million people by 2015

□ Asia Solar Energy Initiative

- 3,000 MW of solar electricity generation and associated smart grid projects over the next 3 years.
- Asia Accelerated Solar Energy Development Fund (AASEDF)

Programs and Approaches

■ Quantum Leap in Wind Power

- Install 1.0 GW wind power over the next 5 years
- Aggregate the market for wind to lower cost of technology and catalyze deployment in the region

■ Carbon Capture and Storage

- Partnership with Global Carbon Capture Institute - comprehensive roadmap for CCS demonstration projects

■ Technology Network and Finance Center

Role of RSDD

- ❑ An anchor for sector and thematic strategic directions in key areas of ADB's operations
- ❑ A link 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 leading and coordinating center for developing new business areas, and developing and implementing new business concepts

Business Opportunities

Types

- ❑ Investment projects
- ❑ Technical assistance

Areas

- ❑ Deployment of new clean energy technology
- ❑ Projects that lower the barriers to adopting clean energy technologies
- ❑ Projects that increase access to modern forms of clean and energy efficient energy for the poor
- ❑ Technical capacity programs for clean energy

THANK YOU

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