

ADB's Clean Energy and Environment Program

*Asia Pacific Partnership for Clean Development and
Climate*

Policy Implementation Committee

20 July 2007

Samuel Tumiwa

Senior Energy Specialist

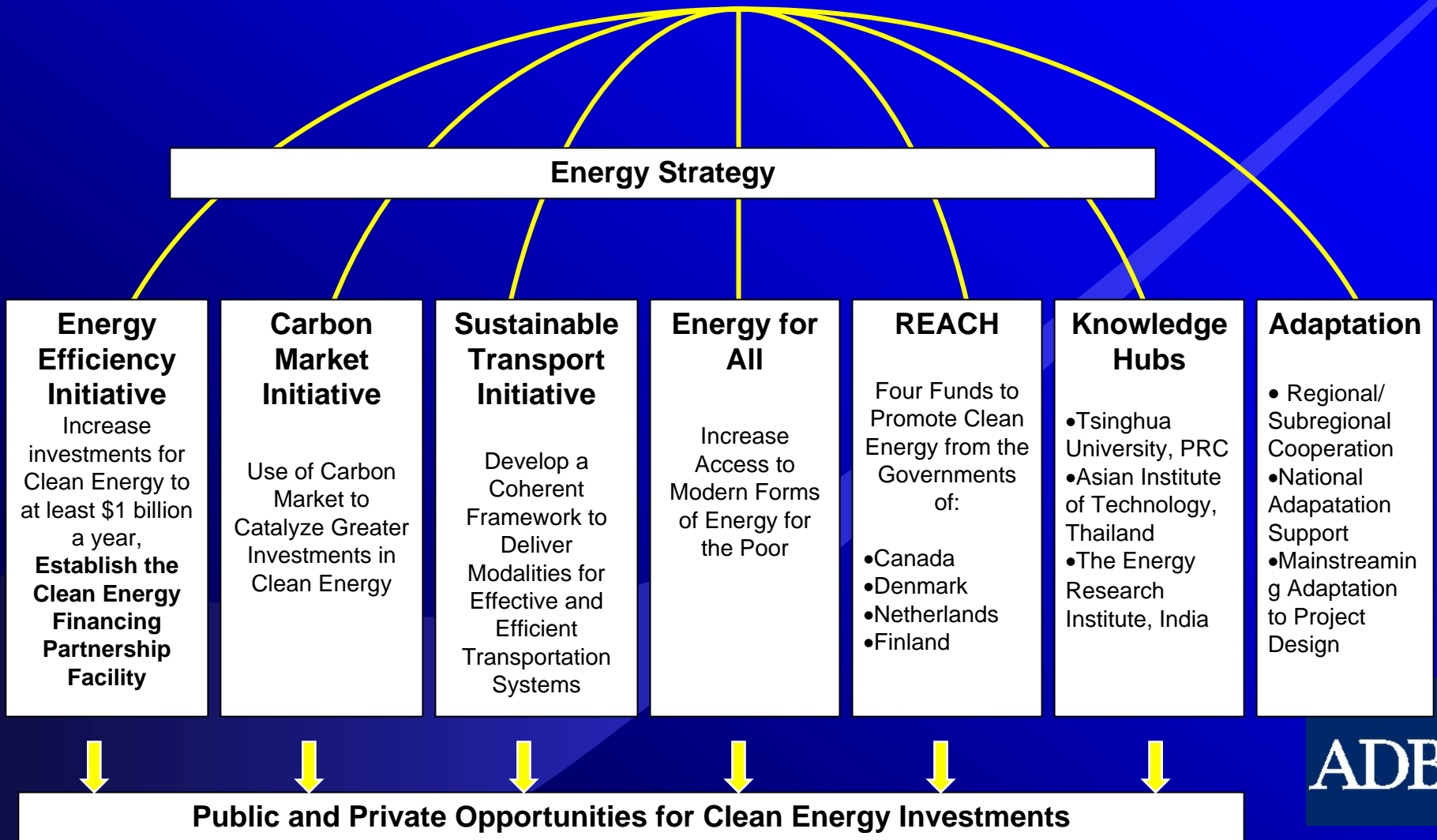
Regional and Sustainable Development Department

ADB

ADB's Energy Policy

- ADB's Energy Policy identifies four operational priorities:
 - Poverty reduction
 - Promoting private sector involvement
 - Addressing regional and global environmental impacts
 - Promoting regional cooperation
- Currently Developing New Energy Strategy:
 - Greater focus to address energy security and climate change through improved energy efficiency and greater use of indigenous forms of renewable energy

ADB's Clean Energy and Environment Program



ADB's Energy Efficiency Initiative (EEI)



- ADB launched EEI in July 2005
- Expand EE operations to \$1 billion/yr
- Focus on both supply-side and demand-side EE (including RE)

Mainstreaming EE in ADB Operations

Phase I Initiation

(Jul 2005 – Jun 2006)

- Establish rationale for expanded ADB action in EE
- Provide priorities and framework for next steps



Phase II Formulation

(Jun 2005 – Dec 2007)

- Prepare country-level investment/action plans and project pipeline
- Design and establish the Clean Energy Financing Partnership Facility (CEFPF)
- Develop institutional capacity to scale up EE investments and perform EE monitoring & evaluation
- Pursue immediate EE investment opportunities



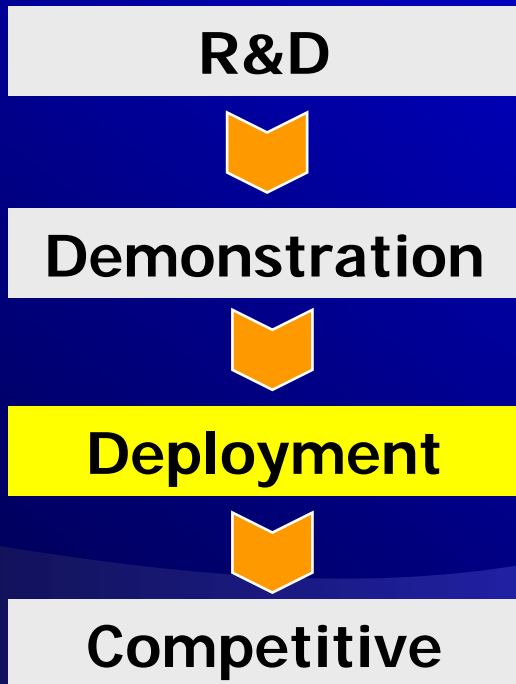
Phase III Implementation

(2007 – 2010)

- Execute investment and action plan
- Process projects in pipeline
- Commit CEFPF fund

Clean Energy Financing Partnership Facility (CEFPF)

Stages of Technology Development



- Objective is to “buy down” the higher costs of the new technologies to facilitate their deployment.
- Targets small number of high-impact large interventions that will deploy new EE technologies
- IEA identifies the crucial need for large deployment programs to bridge between EE and RE technology R&D and commercialization

Source: IEA Energy Technology Perspectives 2006

ADB's Clean Energy Loans: Past and Future

Year	Total Approved Loans (\$ million)	Total Loans with CE Component (\$ million)	CE Component (\$ million)
2003	6,120	1,243	206
2004	5,203	1,426	381
2005	5,957	1,708	638
2006	7,657	1,778	833
2007*		4,032	911
2008*		2,503	1,234
2009*		3,021	1,124

* Pipeline Loans

ADB's Clean Energy Loans: Across Energy & Non-energy Sectors

Year	Energy		Agriculture		Water & Sanitation		Transport		Multisector		Total	
	No. of Loans with CE Comp	Clean Energy Comp of Loans (\$ million)	No. of Loans with CE Comp	Clean Energy Comp of Loans (\$ million)	No. of Loans with CE Comp	Clean Energy Comp of Loans (\$ million)	No. of Loans with CE Comp	Clean Energy Comp of Loans (\$ million)	No. of Loans with CE Comp	Clean Energy Comp of Loans (\$ million)	No. of Loans with CE Comp	Clean Energy Comp of Loans (\$ million)
2003	6	140.2	1	6.0	2	9.8	1	50.0	0	0.0	10	202.4
2004	6	274.5	1	1.1	1	8.0	1	18.0	4	79.9	13	381.5
2005	5	589.1	0	0.0	2	8.5	1	40.0	0	0.0	8	637.6
2006	11	801.0	1	1.8	1	0.3	1	30.0	0	0.0	13	803.1
2007*	26	897.5	1	4.5	0	0.0	2	8.5	0	0.0	29	910.5
2008*	15	1,151.7	0	0.0	0	0.0	5	32.0	1	50.0	20	1,276.2
2009*	21	1,082.0	2	5.0	0	0.0	3	37.5	0	0.0	26	1,124.5
Total	91	4,936.0	6	18.5	6	26.6	14	216.0	5	129.9	122	5,326.9

* Pipeline Loans

Clean Energy Financing Partnership Facility

TF Component

Multi Donor Trust Fund

Individual TF

Individual TF

Framework Agreement

Joint or Parallel Cofinancing

Framework Agreement

Knowledge Sharing

e.g. secondments etc.

Framework Agreement

Risk Sharing

e.g. credit guarantees with first loss coverage

PROJECTS

Grant Components of Investments

Technical Assistance

ADB

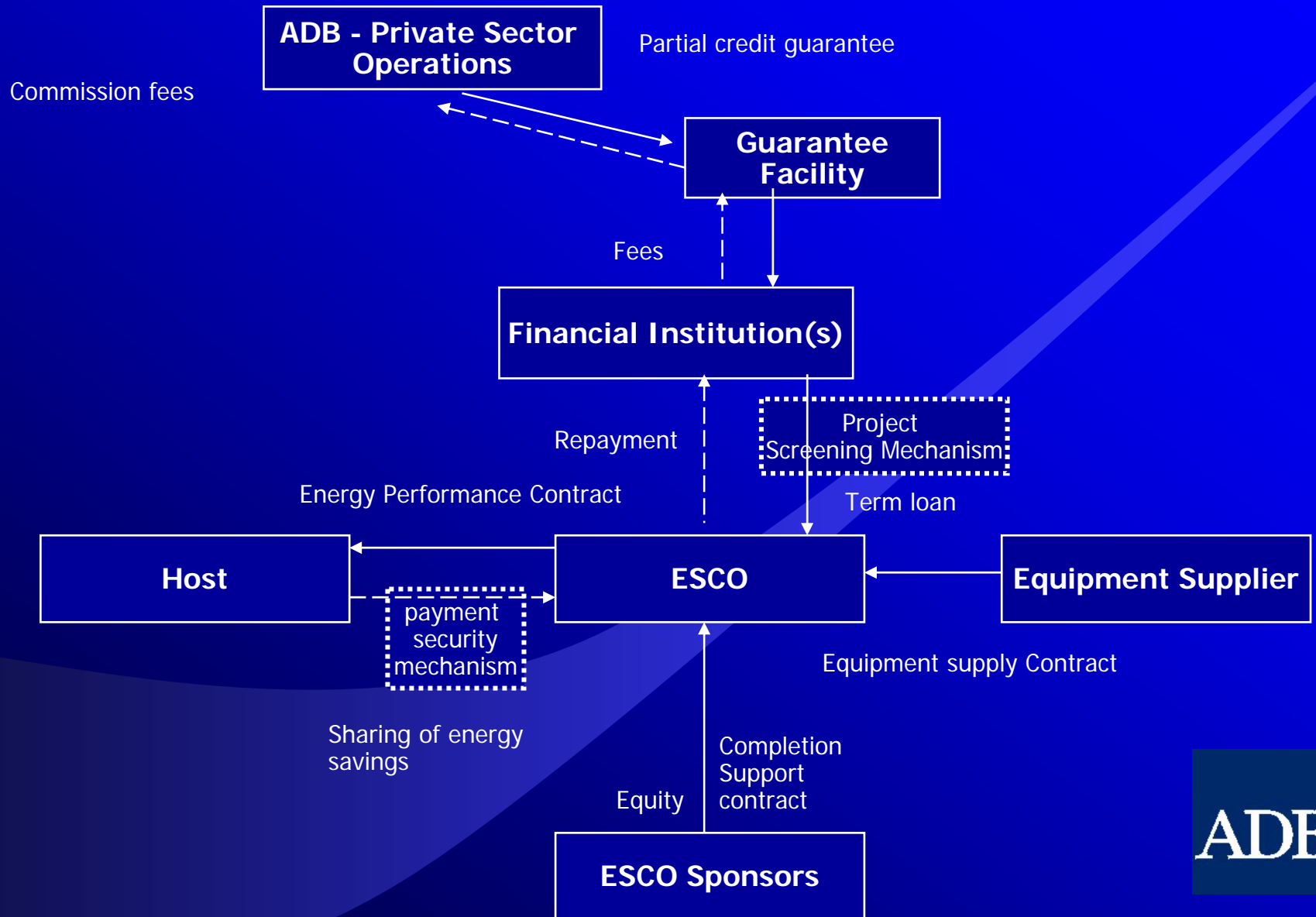
Exploring Innovative Financing Instruments

- Risk Sharing Mechanisms
 - Catalyze local sources of financing for smaller projects
 - Partial credit guarantee with first loss coverage on the portfolio
 - Performance Guarantees for ESCOs
- Contingent Grant/Loan
 - A subordinate facility to share the risk in the deployment of new technologies

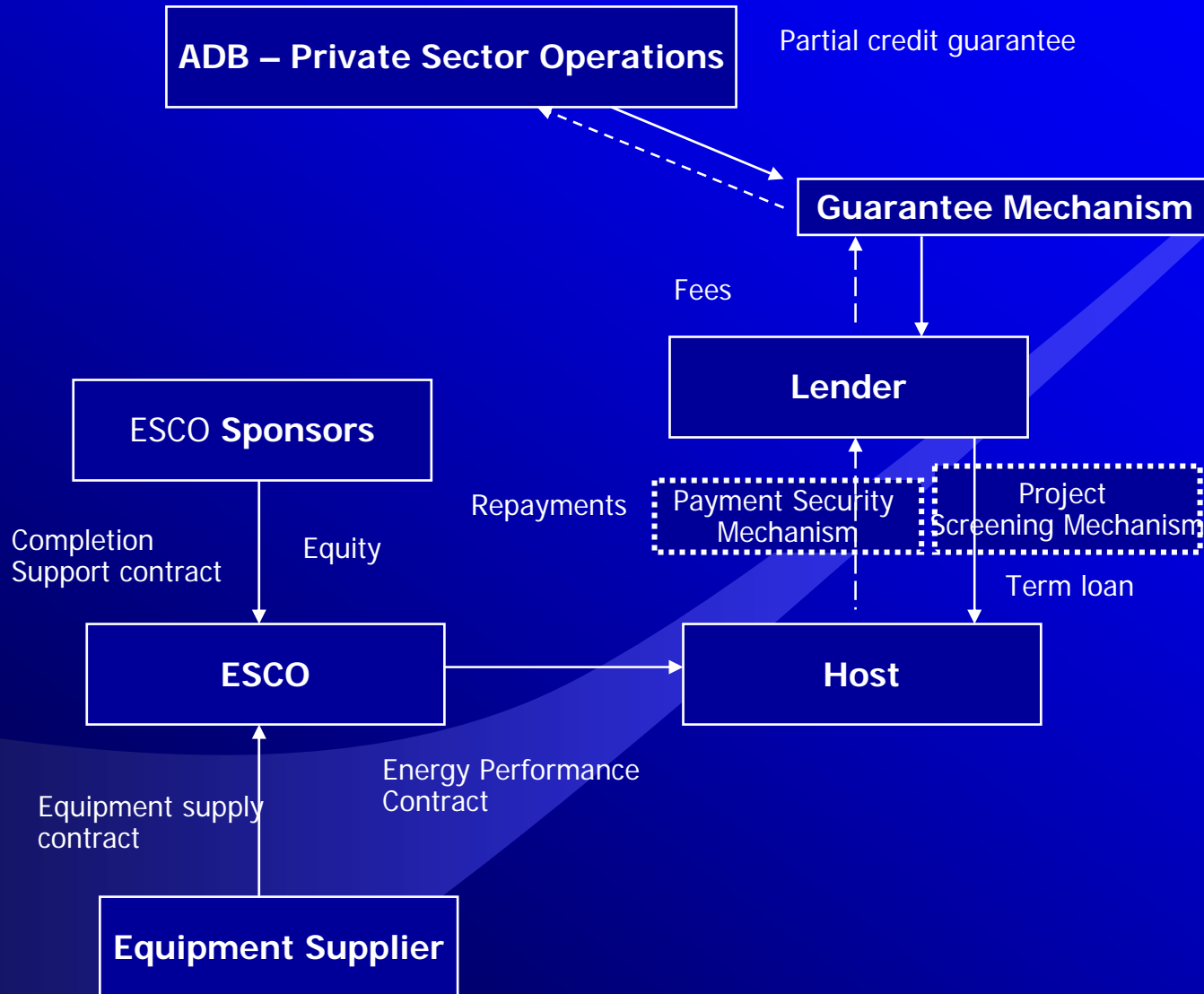
Proposal to APP

- Develop a Partial Credit Guarantee Facility to finance energy efficiency projects in India and PRC
- Based on already completed project preparatory technical assistance in India and on going work in PRC
- Incorporates lessons learned from similar projects by other IFIs

Project Structure-Lending to FI



Project Structure Lending to Host



For More Information

Email: stumiwa@adb.org

Web site: www.adb.org/clean-energy