

Partnership Arrangements under ADB RETA 8483 REG: Asia Energy Efficiency Accelerator

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Background of the TA

- Rapid increase in energy demand in Asia and the Pacific
- Fossil fuels continue to dominate in the energy mix
- National energy efficiency targets and policies starting to set in many countries
- Major gains in demand-side energy efficiency are needed
- ADB is committed to increase investments in clean energy and climate financing
- ADB's operational focus shifts to Finance++

Barriers in Demand-side EE

- Absence of adequate legal and regulatory framework
- Low capacity and awareness on policies, technologies and business models
- High up-front and transaction cost
- Lack of available financing
- Difficulties in design and implementation

Concept and Approach of the TA

- Bring specific focus of ADB's Clean Energy Program to demand-side EE
- Improve energy security and productivity, and limit environmental impacts and carbon emissions that contribute to climate change
- Unlock significant energy saving potential in industry and buildings
- Overcome barriers in project development, investment and implementation

Special Features

- **Programmatic themes**
 - Refurbishing public buildings and municipal lighting
 - Retrofitting high energy intensity industries
 - Upgrading metering systems for electric distribution utilities
- **Initiate projects**
 - that can be replicated to scale up ADB investment in demand-side EE
- **Regional knowledge hub**
 - strengthen regional knowledge networks and benchmarking information
- **Partnership**
 - promote partnership (financing and knowledge)

Impact and Outcome

Impact:

- Reduced GHG emissions and improved economic productivity through increased adoption and investment in demand-side EE

Outcome:

- Target DMCs facilitate increased investment and deployment, and integrate energy efficiency targets, policies, and strategies into their national development plans

Cost and Financing

Source	Amount (\$)	Approval
Multi-Donor Clean Energy Fund ^a	2,000,000	Oct 2013
e-Asia & Knowledge Partnership Fund ^b	500,000	Oct 2013
Korea Energy Agency	200,000	Dec 2014
The Government of United Kingdom	200,000	Dec 2014
U.S. Agency for International Development	100,000	Jun 2015
Total	3,000,000	

^a Contributors: the governments of Australia, Norway, Spain, and Sweden, administered by ADB

^b Funded by the government of Korea

Countries of Focus

Country	Key Activities
Indonesia	<ul style="list-style-type: none">- Energy service company (ESCO) market development- Energy efficiency database development- Energy efficiency building code- Pilot EE lighting projects in Batang and Semarang- Preparation of investment profiles for the Government- Review of completed work on market surveys, draft guidelines and regulations- Knowledge sharing
Sri Lanka	<ul style="list-style-type: none">- Comprehensive study on electricity load profile and trends- Summary report on the outcomes and next steps from building retrofit activities and training programs- Knowledge sharing

Countries of Focus (Cont'd)

Country	Key Activities
Mongolia	<ul style="list-style-type: none">- Assessment of Energy Efficiency Potential- Knowledge sharing
Bangladesh	<ul style="list-style-type: none">- Energy audit of selected companies- Knowledge sharing- Policy support
Maldives	<ul style="list-style-type: none">- Knowledge sharing
Philippines	<ul style="list-style-type: none">- Knowledge sharing
Kazakhstan	<ul style="list-style-type: none">- Knowledge sharing

Partnership Arrangements

Partners	Financing	Knowledge	Countries
Multi-Donor Clean Energy Fund	√		All focus countries
Government of Korea	√		All focus countries
Government of UK	√		Indonesia
USAID	√		All focus countries
Korea Energy Agency (KEA) ^a	√	√	All focus countries

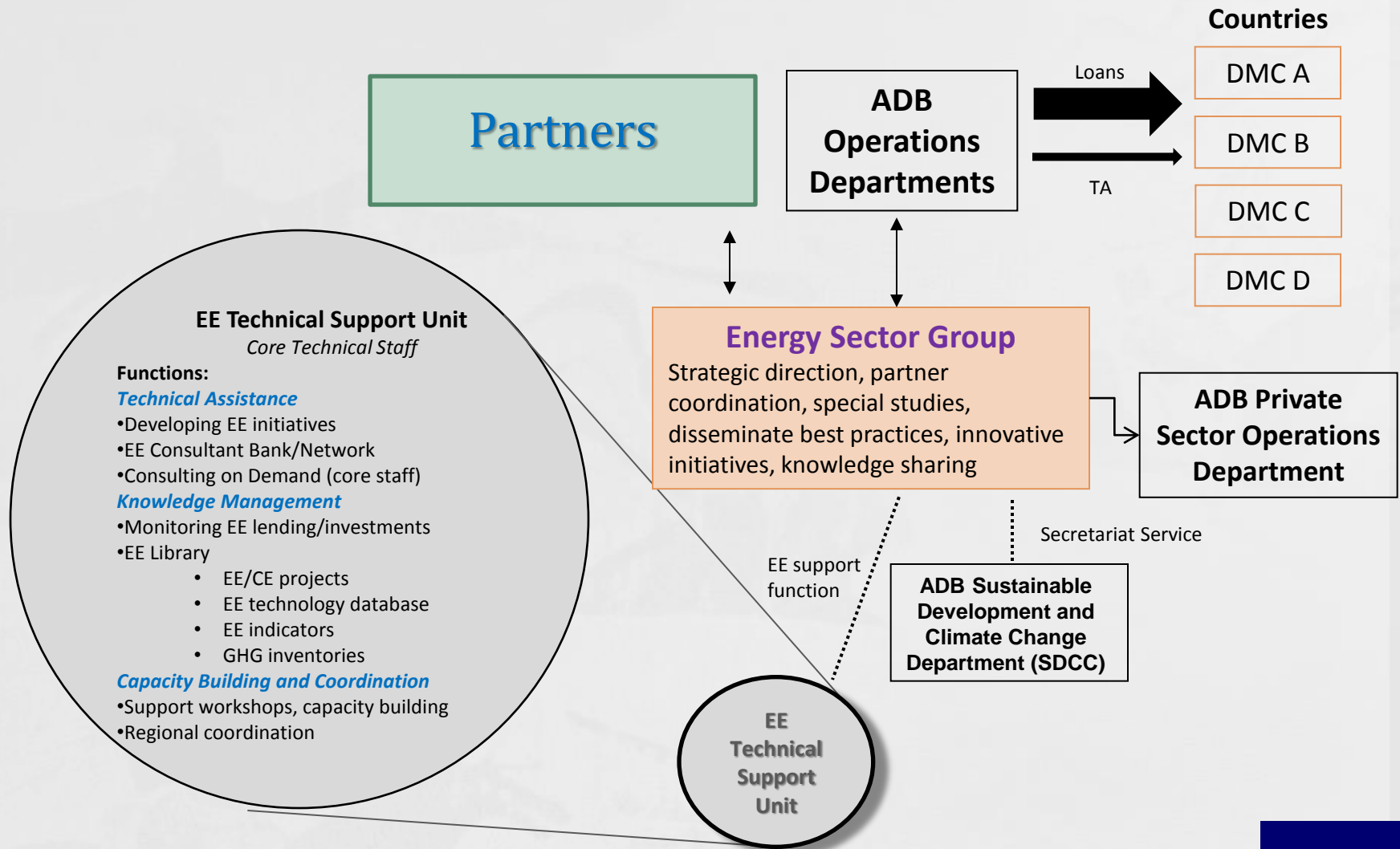
^a A letter of agreement for knowledge partnership was signed under the RETA between ADB and KEA in May 2014

Specifics of Knowledge Partnership

(with Korea Energy Agency)

Countries	Activities	Status
Sri Lanka	<ul style="list-style-type: none"> - Full energy audit of two select buildings - Policy advisory support - Capacity development 	Completed
Bangladesh	<ul style="list-style-type: none"> - Full energy audit of two select factories - Policy advisory support - Capacity development 	Ongoing
Indonesia	<ul style="list-style-type: none"> - Policy advisory support - Capacity development 	Ongoing
Mongolia	<ul style="list-style-type: none"> - Capacity development 	Completed
Maldives	<ul style="list-style-type: none"> - Capacity development 	Completed
Philippines	<ul style="list-style-type: none"> - Capacity development 	Completed
Kazakhstan	<ul style="list-style-type: none"> - Capacity development 	Completed

Institutional Arrangements



Conclusions

- ✓ Partnerships may lead to win-win for all
- ✓ Needs to set up well-established rationale and benefits of the partnership
- ✓ Partnership with private sector through public sector worked reasonably well
- ✓ Knowledge partnership coupled with financing partnership fills the gap in ADB and DMCs (e.g. policy, regulatory, technologies and business models)
- ✓ Strong interest and commitment of recipient countries is essential

Thank you

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