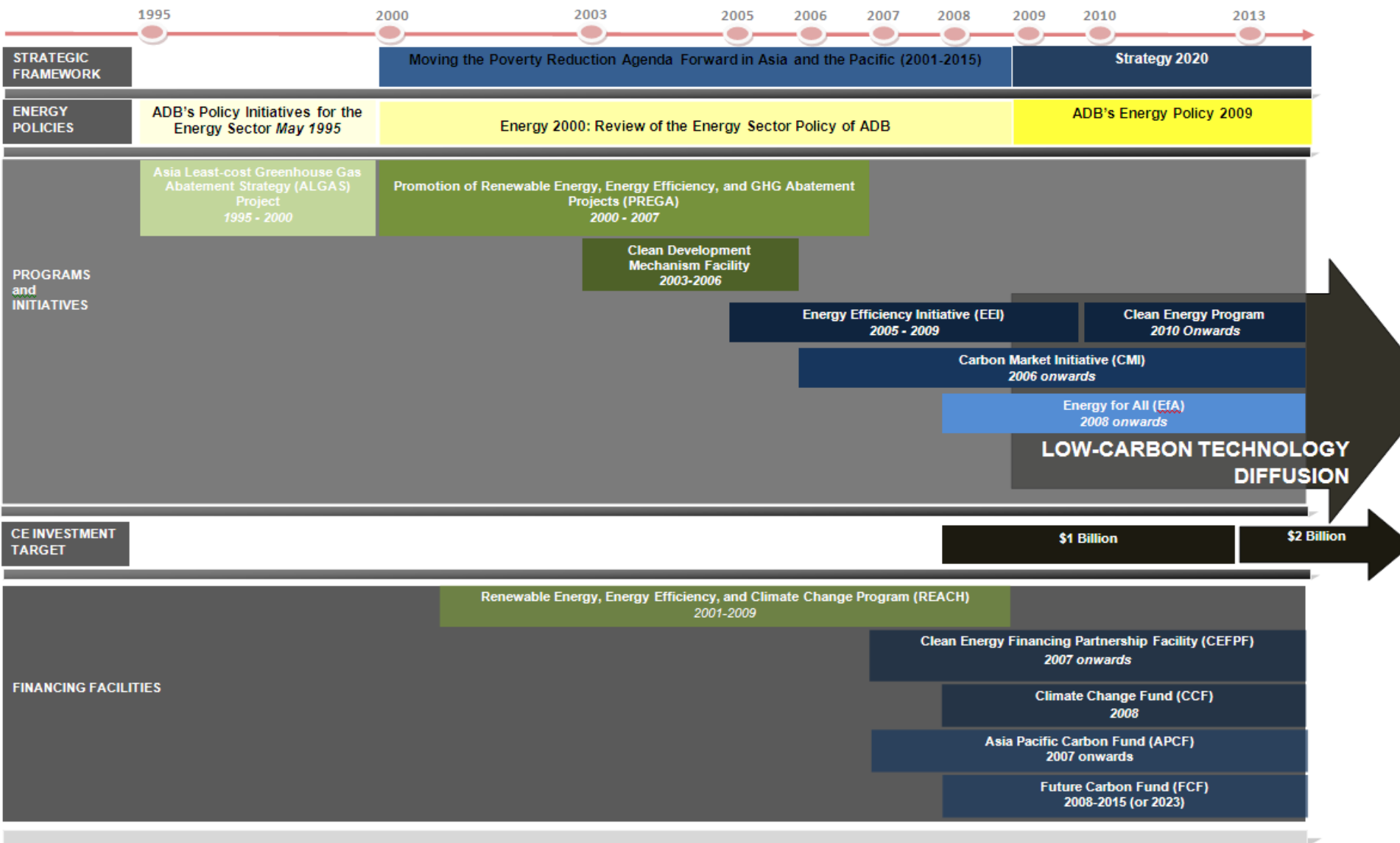


# ADB's Clean Energy Agenda



## **Evolution of ADB's Clean Energy Program**

In the early 1990s until 2005, the Asian Development Bank (ADB) provided fundamental preparatory support to its developing member countries (DMCs) for addressing climate change. Initiatives such as the 1992 technical assistance (TA) study on Climate Change in Asia were carried out. Another initiative was the Asia Least-cost Greenhouse Gas Abatement Strategy (ALGAS) from 1995 to 2001, which improved the capacity of DMCs to prepare baseline inventories of greenhouse gas (GHG) emissions and sinks to meet the requirements of the UN Framework Convention on Climate Change. In addition, the Promotion of Renewable Energy, Energy Efficiency, and GHG Abatement Project, which supported investments in renewable energy, energy efficiency and GHG abatement technologies aimed to increase the poor's access to energy services and help reduce GHG emissions. These initiatives were implemented in line with ADB's Policy Initiatives for the Energy Sector, which was launched in 1995 with the aim to integrate environmental considerations in all energy sector activities for sustainable development. This policy was reviewed in 2000, which then aligned ADB's energy sector operations with the three pillars of its poverty reduction strategy.

In 2005, ADB launched its Energy Efficiency Initiative (EEI) to (i) expand ADB's clean energy program, (ii) build greater capacity in ADB's operations departments to develop clean energy projects, and (iii) establish new and innovative financing instruments for clean energy investments. The TA to operations departments provided capacity building, planning, policy development, regulatory, and communications support to develop a pipeline of clean energy projects and create the enabling environment for increasing clean energy investments in DMCs. EEI set the annual ADB clean energy investment target at \$1 billion. This was surpassed in 2008 by \$690 million. This achievement signified ADB's interest in expanding its clean energy portfolio and was reflected to the new Energy Policy 2009. The policy listed as one of its pillars, the "promotion of energy efficiency and renewable energy" and increased the annual clean energy target to \$2 billion by 2013. In 2009, ADB's clean energy portfolio exceeded the target again with \$1.26 billion worth of investments. This shows that energy divisions in operations departments have incorporated such investments into their portfolios. Clean energy priorities have also been reflected in the projects of other sectors, notably the transport and urban sectors.

EEI's role and thrusts has been redefined as ADB's Clean Energy Program (CEP) and will move toward implementing the Energy Policy 2009 in support of Strategy 2020. The CEP will (i) expand ADB's clean energy investments in smaller DMCs, (ii) increase the program's assistance to demand side clean energy components and projects in water supply and sanitation, transport, urban, agriculture, and other sectors; and (iii) tracking the pipeline of clean energy projects and monitor achievements against ADB's institutional indicators on poverty reduction and development and those specific to the Energy Policy 2009.