

**Comments on ADB's
Energy Strategy (version May 2007)**

To: energystrategy@adb.org

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Dear ADB Administrator,

A pleasant day to you. My name is Fernando O. Paras, Jr, an Energy Engineering PhD student of UP Diliman. Our class EgeE 298 (Environmental Impacts of Energy Development Projects) under Dr. Genandrialine Peralta have reviewed the ADB Energy Strategy. Attached with this e-mail are some of my comments on the draft document.

I hope that you can find some useful inputs from our comments as you finalize your strategy.

Thanks,

Fernando

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Comments provided are limited to my understanding and experience from the Philippines. I have yet to experience life in other DMC of ADB. Furthermore, I am neither an economist nor a development specialist. My perspective might be a bit narrow for evaluating this ADB Energy Strategic Plan.

Appendix 1, Page 29, Paragraph 2, last sentence

- ***requires access to electricity as a necessary prerequisite.***

In my opinion, the statement might be an overkill. Furthermore, I do not agree that providing electricity alone would be the key to poverty alleviation. Poverty still abounds in places where there is electricity and where modern energy services are available.

Appendix 1, Page 29, Paragraph 3

The use of biomass especially for cooking and heating does, in most sense, affect productivity, health, gender(?), and the environment. However, biomass utilization is still a 'Carbon Neutral Process' and I believe that this is worth mentioning in the strategy.

Appendix 1, Page 32, Paragraph 12 & 13

I think that the thought in these two paragraphs are moving in opposite directions. Paragraph 12 cites interdependency of energy access and poverty alleviation, and paragraph 13 negates modern energy services to be a guarantee to poverty alleviation. This is also not parallel from the context of the over killed statement earlier.

Appendix 1, Page 33, Paragraph 18 (On ADB's role)

Sometimes, assisting is an unwelcome gesture that independent governments are sensitive to. Maybe, ADB should just focus on (ii) and (iii).

Appendix 1, Page 34, Introducing, where appropriate, Rural Energy Service Concessions

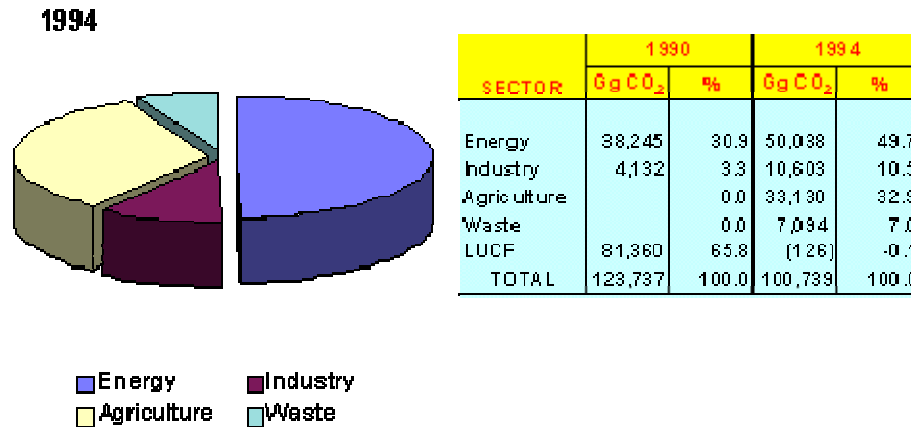
ADB limits its exposure to high risk projects. A characteristic that is typical of banks. This can be seen in ADB policies mentioned in page 27, paragraph 84 and 85. For consistency, ADB should, at the moment, just forego supporting such concessions.

Appendix 1, Page 35, Paragraph 21

Regarding measures needed to ensure access to electricity by the poor. Note that this is closest to fully subsidizing electrical utilities for the poor. *What ever happened to teaching them how to fish?*

Appendix 2, Page 38, Paragraph 4 Energy Efficiency Initiative (EEI)

I would like to relate EEI to paragraph 72 on pages 24-25. ADB strategy points out the EEIs should focus on the industrial sector and commercial and residential establishments which has a 50% and 30% share of the total demand load, respectively. Majority of the 20% that is unaccounted is consumed by agriculture and should also be subjected to EEIs. According to the 1994 GHG Inventory, Figure 1 below, 33% of GHG emissions are from agriculture. Hence this sector should also be under EEIs and CMI.



Sources: 1990 - ADB ALGAS Study; 1994 - Manila Observatory

Table 1. 1994 GHG Emissions

Appendix 2, Page 38, Paragraph 6 Sustainable Transport Initiatives (STI)

No doubt that the transport sector is a major contributor of GHG emissions. Take for example the tricycle of the Philippines. It is a crude vehicle that is asymmetrical and statically and dynamically imbalanced. Majority of these have two stroke engines that exhausts into the atmosphere more smoke than your regular sedan. These are vehicles that provide little comfort to the passengers, and a moving hazard on the national road. Definitely, STIs should be a major activity if ADB is seriously 'green minded'. In addition, *Filipino Engineers should be shot dead* if we continue to let this after sales modification to a well designed vehicle deliver our kids to school. Let's all work towards finding a replacement for this hideous vehicle. (he-he)

Appendix 2, Page 39, Paragraph 9, Knowledge Hubs

If ADB recognizes the expertise of EnE, EgyE offices to evaluate its strategy, I'm wondering why UP is still not included in the Knowledge Hubs? Hmmm.

Some General Comments and Opinion

After reading the ADB Energy Strategy Paper, It is obvious that the 'Think Tanks' of ADB racked their brains out to come up with this strategic plan. Truly, they must have been experts in the field of energy and development. However, all DMCs have their own pool of experts that

formulate plans of their own. Their government decides which focal points to act on in their own plans. Furthermore, strategic plans are most often very general and country development strategies, on the other hand, are country specific. Some items in the strategic plan might not be tailored well for some of the DMCs.

The ADB Energy Strategy have touched all aspects that I know of that are pertinent to economic development and efficient energy utilization. However, I would have wanted ADB to put the strategy in a way that there is equal focus on energy conservation. This is under EE; Schemes on how to positively affect this through investments and technical assistance seemed half baked. Likewise ADB's active role in reducing environmental degradation as it strives to meet energy security and transition to a low carbon economy, to me, is not that clear.

Sustainable Development have been a catchall phrase for projects that aims to improve peoples' well being at the same time ensuring continuous progress in all aspects of development. Still the concept escapes me. How can progress be continuous if along the way we are slowly destroying that which gives us that advantage (e.g. economic growth and environmental degradation)? Does limiting the effect equate to sustainability?

I think that the Philippines is blessed with so many able minds that can produce comprehensive plans that are workable, or 'sustainable' for that matter. I just wish that we have minds that could figure out how this sound plans could be implemented to the letter, given the character and situation of the Filipino people.

Just like in our university, we had this elaborate plan of conserving energy; a special committee was formed. Memos were released, and that's the end of it...We are very lousy in putting good plans to work. I just hope that this could still be changed for the better.