

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

To: Strategy Feedback Form

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Date: 27 July 2007

ADB's efforts to have an energy strategy are commendable. However, the new energy strategy appears to a large extent to continue the current energy policy. New directions are lacking, although some useful suggestions have been made for sustainable energy development. ADB has recently taken some new initiatives including clean development mechanism. However, experience on these programs has not been articulated to draw any lesson for their continuity or improvement

The emphasis on energy efficiency and renewable energy is understandable. However, given the experience in these areas where most of ADB's interventions had either to be cancelled or scaled down, it is doubtful whether ADB can play a meaningful role because of the transaction costs.

Energy sector reforms and governance are areas in which ADB can and should play a significant role to improve efficiency. To be meaningful such initiatives should increasingly be home-grown rather than imposed from outside. The process should take into account the DMCs' preferences and, more important, resource limitations and institutional capabilities.

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