

Major Change in Scope

Project Number: 39578
Technical Assistance Number: 6261
February 2006

Energy Efficiency Initiative Consultation Workshop

1. The Asian Development Bank (ADB) has implemented several lending and nonlending assistance projects to promote energy efficiency but recognizes that more intensive action is required. ADB is currently preparing a strategy and an associated investment and action plan to assist its developing member countries to achieve significant measurable change in their energy patterns and secure a low-carbon sustainable energy future. To this end, ADB established the energy efficiency initiative (EEI) on 29 July 2005 that constituted a task force and a steering committee to prepare the EEI report. Funding to prepare the EEI report was approved for \$150,000 on 6 October 2005, as regional technical assistance (TA) 6261: Energy Efficiency Initiative Consultation Workshop. The draft report was completed in December 2005.

2. Alongside ADB's EEI is a broader effort by multilateral development banks (MDBs) to accelerate concerted action on climate change and clean energy. Within the context of the July 2005 Gleneagles' Group of Eight (G8) Summit, MDBs were asked to strengthen climate change mitigation by accelerating investment in low carbon energy systems and expanding their support for adaptation to climate change. It was agreed at the Summit that MDBs would formulate an investment framework on climate change, clean energy, and sustainable development by April 2006.

3. In December 2005, the Government of the United Kingdom, through the Department for International Development (DFID), offered to provide ADB the equivalent of \$300,000 to help formulate the investment framework in the transport sector. Utilizing DFID resources will be made possible by expanding the objectives and changing the scope of the TA. The modified TA will bring together separate ongoing initiatives by ADB to develop the investment framework on climate change, clean energy, and sustainable development in time for the April 2006 spring meeting of the World Bank.

4. TA 6261 was conceptualized with the objectives of (i) defining the potential, costs, and impacts of energy efficiency; (ii) identifying the technology and accelerating the commercialization of appropriate technologies; (iii) establishing suitable financing models that will use private and public sector funds to implement energy efficiency projects; and (iv) increasing lending to support risk mitigation, technology transfer, and non-investment support.

5. The supplementary DFID funding will enable ADB to formulate a broader investment framework that would address the problems associated with energy efficiency and climate change in the transport sector, and the deteriorating global and local air quality.

6. The Vice-President, Knowledge Management and Sustainable Development, approved on 1 February 2006, ADB's administering the supplementary funds on behalf of DFID.