Regional: Pacific Renewable Energy Program

Project Name: Pacific Renewable Energy Program
Project Number: 52329-001
Borrower/Company: Regional
Country: Cook Islands, Fiji, Micronesia, Federated States of, Nauru, Palau, Papua New Guinea, Marshall Islands, Samoa, Solomon Islands, Timor-Leste, Tonga, Tuvalu, Vanuatu
Location: Nation-wide
Approval Number: 7594/3784
Type of ADB Assistance / Amount: 3784 Ordinary capital resources, USD 0.00 Approved

Strategic Agendas:
- Environmentally sustainable growth
- Inclusive economic growth

Drivers of Change:
- Private sector development

Gender Equity and Mainstreaming:
- No gender elements

Responsible ADB Department:
- Private Sector Operations Department

Description:
The Program will provide an umbrella facility to provide financing support including loans, guarantees and letters of credit, to overcome the constraints to private sector investment in renewable power projects in Pacific island countries.

Objectives and Scope:
The development objective is to provide credit enhancement mechanisms to hedge against the key risks inherent in power projects in the PDMCs, which will increase private investment in the energy sector. The Program will help to (i) lower the cost of financing and encourage financing with longer tenors; (ii) attract new investors and lenders to the PDMCs, where they might not otherwise invest; (iii) generate financing opportunities for PSOD; and (iv) increase PSOD’s focus on frontier markets in accordance with ADB’s Strategy 2030. The Program is aligned with the operational priorities of Strategy 2030 in tackling climate change, building climate and disaster resilience, and enhancing environmental sustainability.

The additionality provided by ADB is in sourcing and using available grant funds for the PDMCs from ADB’s development partners as a credit enhancement tool that will mobilize private sector financing. This will spur private sector development, help to reduce continued reliance of power utilities on grants and subsidies, and increase renewable energy supply. Technical assistance for projects under the Program will assist in strengthening governance and institutional capacity through building skills in financial sustainability, service delivery, transparent tender processes and E&S standards.

Safeguard Categories:
- Environment: B
- Involuntary Resettlement: B
- Indigenous Peoples: C

Summary of Environmental and Social Aspects:

Environmental Aspects: Projects categorized as Category A for environment will not be included in the Program. Projects under the Program are anticipated to be Environment Category B. Environmental and social due diligence will be carried out in accordance with ADB’s Safeguard Policy Statement (2009) and social requirements. The IPPs will engage environmental and social experts to prepare environmental and social assessment reports and management plans for their projects, such as an Initial Environmental Examination report and Resettlement Plan (if required). An Environmental and Social Audit report to be filed by an external expert will assess the environmental, social, health and safety, and gender risks and impacts associated with the project in cases where the project involves land acquisition or resettlement. Recommended mitigation measures and monitoring requirements will be implemented under an environmental and social management plan. Gender mainstreaming will be evaluated and implemented where possible for specific projects under the Program.

Involuntary Resettlement: Projects under the Program are anticipated to be Involuntary Resettlement Category B.

Indigenous Peoples: Projects under the Program are anticipated to be Indigenous Peoples Category C.

Stakeholder Communication, Participation, and Consultation:

Timetable for assistance design, processing and implementation:
Concept Clearance: 18 Mar 2019
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<th>Due Diligence</th>
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<tr>
<td>Credit Committee Meeting</td>
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| Project Page                                                                 | https://www.adb.org/projects/52329-001/main                                |
| Request for Information                                                      | http://www.adb.org/forms/request-information-form?subject=52329-001      |
| Date Generated                                                              | 25 August 2020                                                             |

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