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Pacific Renewable Energy Investment Facility Annual Report January–December 2019

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Asian Development Bank

ABBREVIATIONS

ADB	–	Asian Development Bank
DMF	–	design and monitoring framework
PIC-11	–	11 small Pacific island countries
RRP	–	report and recommendation of the President
TA	–	technical assistance

NOTE

In this report, “\$” refers to United States dollars.

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I. INTRODUCTION

1. The Pacific Renewable Energy Investment Facility finances a series of renewable energy projects in the 11 smaller Pacific island countries (PIC-11).¹ It uses an innovative modality that streamlines the internal procedures of the Asian Development Bank (ADB), enhancing its ability to process small-value projects in the PIC-11 faster and with lower transaction costs. Progress of the facility implementation is reported annually to the ADB Board of Directors. The first annual progress report covered the 12 months from the approval of the facility in June 2017 to May 2018. The second annual progress report covered June 2018 to December 2018 to bring reporting into line with the calendar year. This is the third annual progress report, covering January to December 2019.

II. FACILITY SUMMARY

A. Overview

2. The ADB Board of Directors approved the facility in June 2017.² The facility finances renewable energy projects in the PIC-11 with an overall estimated cost of \$750 million, comprising (i) up to \$200 million in ADB financing, (ii) an estimated \$500 million from cofinancing sources, and (iii) an estimated \$50 million from government counterpart financing. ADB will consider projects to be financed by the facility up to July 2022, while the implementation period will be up to July 2025.³

B. Planned Outputs

3. **Output 1: renewable energy generation facilities and supporting infrastructure constructed and/or rehabilitated.** Output 1 is estimated to be delivered over about 20 facility projects. The report and recommendation of the President (RRP) included the first three proposed projects, scheduled for approval in 2017; an indicative list of six projects, scheduled for 2018 approval; and four projects scheduled for 2019 approval. The facility's design and monitoring framework (DMF) set cumulative performance indicators for all output 1 projects by 2025 as follows:

- (i) 80 megawatts of renewable energy generation capacity commissioned,
- (ii) 30 megawatt-hours of battery storage installed, and
- (iii) 300 kilometers of transmission and distribution network constructed.

4. **Output 2: energy sector reform and capacity building undertaken.** Projects under this output will cover sector reform, capacity building, promotion of the private sector, and support for regional initiatives. The DMF performance indicators for output 2 are as follows:

¹ The 11 countries are the Cook Islands, the Federated States of Micronesia, Kiribati, the Marshall Islands, Nauru, Palau, Samoa, Solomon Islands, Tonga, Tuvalu, and Vanuatu. Smaller refers to population.

² ADB. 2017. *Report and Recommendation of the President to the Board of Directors: Pacific Renewable Energy Investment Facility*. Manila.

³ The facility provides an aggregate approval limit under which the President is authorized to approve loans and grants to a range of qualifying small-value renewable energy projects in the PIC-11 from 2017 to 2022. The facility's programmatic approach streamlines ADB's procedures including replacing the standard concept approval procedure with approval of a scoping mission back-to-office report as well as delegating approval to the President thereby eliminating the process of circulation to ADB's Board of Directors for approval. This approach reduces processing times and transaction costs.

- (i) one risk guarantee product approved by December 2020,
- (ii) reform documents submitted for approval to the relevant authority in four countries by June 2025, and
- (iii) 100 workshop participants' reporting skills on renewable energy integration improved.

C. Supporting Technical Assistance Projects

5. The RRP envisaged the facility being supported by two regional technical assistance (TA): (i) The \$8.935 million Pacific Renewable Energy Investment Facility transaction TA facility, which supports the processing, preparation and implementation of investment projects, capacity building measures, support for private sector participation, and the creation of a facility support unit;⁴ and (ii) the \$5.0 million Capacity Building and Sector Reform for Renewable Energy Investments in the Pacific TA, which supports sector and utility reform in the PIC-11.⁵ A third regional transaction TA facility to prepare the Pacific Renewable Energy Investment Facility (Phase 2), totaling \$4.0 million, was approved in July 2019.⁶

III. PROGRESS ON ACHIEVING FACILITY OUTPUTS

A. Output 1: Renewable Energy Generation Facilities and Supporting Infrastructure Constructed and/or Rehabilitated

6. Eight projects under output 1 have been approved in six countries: the Federated States of Micronesia, the Marshall Islands, Nauru, Tonga, Tuvalu, and Vanuatu.⁷ Details of the outputs are in Appendix 1. Table 1 summarizes their overall performance against the DMF targets. At the end of 2019—the midpoint of the facility processing period when outputs could be expected to be at 50% of targets—the performance is ahead of the target for one output and behind the target for two outputs. This is due to client countries and project preparation consultants identifying the need for project components different from those assumed by ADB at facility concept stage. This will be assessed and discussed in the Facility Interim Review report due in July 2020.

Table 1: Output 1 Performance Against the Design and Monitoring Framework Targets

Output	Renewable Energy Generation Commissioned by 2025 (MW)	Batteries Installed by 2025 (MWh)	Transmission and Distribution Network Constructed by 2025 (km)
DMF targets	80	30	300
Outputs in December 2019	11.22	30.90	21.00
Outputs in December 2019 as a % of DMF targets	14%	103%	7%

DMF = design and monitoring framework, km = kilometer, MW = megawatt, MWh = megawatt-hour.

Source: Asian Development Bank estimates.

⁴ ADB. Regional: Pacific Renewable Energy Investment Facility (formerly Pacific Renewable Energy Investment Program). <https://www.adb.org/projects/49450-001/main#project-pds>. (TA 9242-REG).

⁵ ADB. Regional: Capacity Building and Sector Reform for Renewable Energy Investments in the Pacific. <https://www.adb.org/projects/49450-010/main#project-pds>. (TA 9425-REG).

⁶ ADB. Regional: Preparing the Pacific Renewable Energy Investment Facility (Phase 2). <https://www.adb.org/projects/49450-022/main#project-overview>. (TA 9772-REG).

⁷ By the end of 2019, the five projects approved from 2017–2019, with a total of \$37.4 million in ADB financing, achieved over \$8.1 million in contract awards and over \$2.5 million in disbursements. The last three projects approved in 2019, totaling \$43 million in ADB financing, were not yet effective by the end of the 2019.

B. Output 2: Energy Sector Reform and Capacity Building Undertaken

7. **Regional program.** The Pacific Renewable Energy Program was approved on 17 April 2019.⁸ It will provide an umbrella facility to provide \$100 million of financing support, including loans, guarantees, and letters of credit, to overcome the constraints to private sector investment in renewable energy projects in Pacific island countries. ADB's Private Sector Operations Department and Pacific Department jointly developed the program. ADB's Private Sector Operations Department will oversee implementation, monitor the progress of the portfolio and respond to any issues arising in the guarantee transaction, and prepare periodic program progress reports to development partners as required. The first annual progress report for the program covering March–December 2019 is due in April 2020.

8. **Sector reform.** A firm of consultants was recruited in July 2018 to conduct sector reform and utility capacity building under the Capacity Building and Sector Reform for Renewable Energy Investments in the Pacific TA (footnote 5). The firm will (i) assess the countries' sector policy, governance, and regulation standards; (ii) assess the utilities' technical, financial, and management performance; (iii) prepare recommendations on required sector reforms and utility capacity building; and (iv) design a road map and conduct workshops on the implementation of recommendations. Assessment of utilities is complete in the Republic of Marshall Islands and is ongoing in the Federated States of Micronesia, Nauru, and Cook Islands. Progress is on track.

9. **Training in renewable energy.** Of the target to train 100 staff in renewable energy, 40 were trained in June 2018 and 33 were trained in June 2019 at the Asia Clean Energy Forum. Eight were trained in November 2018 at a workshop on energy policy and regulation. The target level of training is on schedule.

10. **Additional capacity building support.** To further support the regional initiatives, the TA for Development of the Pacific Electricity Regulators Alliance was approved by ADB on 15 November 2019.⁹ The TA is designed to promote regulation of energy utilities in the Pacific through the development of a regional platform for the delivery of capacity building interventions, the exchange of knowledge and skills, and leveraging of Pacific countries' limited resources to address common challenges.

11. A summary of the performance of output 2 against DMF targets is in Table 2.

Table 2: Output 2 Performance against the Design and Monitoring Framework Targets

Activity	Target	Progress	Status
Risk guarantee product	One approved by December 2020	First guarantee product approved in April 2019 (para 7)	Under implementation
Reform documents approved	Approval in four countries by June 2025	One approved; five under implementation (para 8)	On track
Workshop training	100 participants	81 trained by 2019	On track

Source: Asian Development Bank.

⁸ ADB. 2019. *Report and Recommendation of the President to the Board of Directors: Proposed Pacific Renewable Energy Program*. Manila.

⁹ ADB. Regional: Development of the Pacific Energy Regulators Alliance. <https://www.adb.org/projects/53209-001/main#project-overview>. (TA 9868-REG).

C. Facility Support Unit

12. A Facility Support Unit (FSU) was established to support the design and implementation of the facility, including preparation of projects. The FSU comprises ADB project officers, project preparation and implementation consulting firms and individual consultants. The FSU is managed by the ADB officer responsible for the facility and operates under the guidance of the director of the energy division. Project Implementation Units (PIUs) have been established in each participating country. The FSU interacts with the PIUs on project design and implementation.

IV. APPROVED AND PLANNED INVESTMENT PROJECTS

13. A summary of approved and planned investment projects is in Table 3a, while the sources of ADB financing and cofinancing are detailed in Table 3b. Additional details on financing and outputs are in Appendix 1. The details and status of approved projects are in Appendix 2.

Table 3a: Approved and Planned Investment Projects by Investment Amount
(\$ million)

Year	No. of Projects		Financing			Total
	Approved	Planned	ADB	Cofinancing	Government	
2017	2		7.00	7.00	3.10	17.35
2018	2		18.20	3.38	0.00	21.58
2019	4		55.20	32.40	14.57	102.17
2020		4	20.00	21.70	6.60	48.30
Total	8	4	100.40	64.48	24.52	189.40

ADB = Asian Development Bank.

Source: Asian Development Bank estimates.

Table 3b: ADB Financing and Cofinancing Sources of Approved Investment Projects
(\$ million)

Year	ADB Financing		DFAT	Co-Financing		SCF
	ADF	OCR		GEF	GCF	
2017	4.50	2.50				7.00
2018	18.20		0.74	2.64		
2019	55.20		2.50		29.90	
Total	77.90	2.50	3.24	2.64	29.90	7.00

ADB = Asian Development Bank, ADF = Asian Development Fund, DFAT = Government of Australia Department of Foreign Affairs and Trade, GCF = Green Climate Fund, GEF = Global Environment Facility, OCR = Ordinary Capital Resources, SCF = Strategic Climate Fund.

Source: Asian Development Bank estimates.

14. From 2017 to 2019, ADB's facility financing of \$80.40 million were largely from ADB's Special Funds Resources (Asian Development Fund - ADF). For the same period, a total of \$42.78 million in cofinancing from the Government of Australia, the Global Environment Facility, the Green Climate Fund, and the Strategic Climate Fund were committed. For the 2020 pipeline, cofinancing from the Government of New Zealand and the Strategic Climate Fund¹⁰ are being sought.

¹⁰ Under the Scaling up Renewable Energy Program in Low Income Countries

V. APPROVED TECHNICAL ASSISTANCE

15. A summary of approved TA projects and their respective funding sources are in Table 4a and Table 4b, respectively.¹¹ Details of their scope, financing, and implementation status are in Appendix 3.

Table 4a: Approved Technical Assistance Projects
(\$ million)

TA Number	\$ million	Name
TA 9242-REG	8.935	Pacific Renewable Energy Investment Facility
TA 9425-REG	5.800	Capacity Building and Sector Reform for Renewable Energy Investments in the Pacific
TA 9772-REG	4.000	Preparing the Pacific Renewable Energy Investment Facility (Phase 2)
TA 9868-REG	0.225	Development of the Pacific Electricity Regulators Alliance

Source: Asian Development Bank estimates.

Table 4b: ADB and Cofinancing Sources for Approved Technical Assistance Projects
(\$ million)

TA Type and Number	Year Approved	\$ million	Co-Financing					
			ADB TASF	CEFPF	GCF	HLTF	SCF	UNDP
TRTA 9242-REG	2016	8.935	5.000	3.000		0.500		0.435
TRTA 9425-REG	2017	5.800	0.800		5.000			
TRTA 9772-REG	2019	4.000	3.000				1.000	
KSTA 9868-REG	2019	0.225	0.225					
Total		18.960	9.025	3.000	5.000	0.500	1.000	0.435

ADB = Asian Development Bank, CEFPF = Clean Energy Financing Partnership Facility, GCF = Green Climate Fund, HLTF = High Level Technology Fund, KSTA = Knowledge and Support TA, SCF = Strategic Climate Fund, TA = Technical Assistance, TASF = Technical Assistance Special Fund, TRTA = transaction TA, UNDP = United Nations Development Programme.

Source: Asian Development Bank estimates.

16. ADB's TASF is funding over 47% of TAs supporting the facility, followed by the Green Climate Fund at 26%, and CEFPF at close to 16%. GCF and SCF are both funding TAs and project grants under the facility. In addition, two regional technical assistance facilities, each at \$3 million, to prepare additional ensuing projects under the facility are programmed for processing in 2020.¹²

VI. PERFORMANCE OF FACILITY STREAMLINED PROCESSES

17. The facility's streamlined processes (footnote 3) were projected to result in (i) an increase of one third in number of projects processed, (ii) consultant recruitment time reduced by half, and (iii) project processing time reduced by one third. Table 5 shows the performance of these measures against improvement targets and Appendix 4 provides supporting data. In summary,

- (i) the average number of Pacific energy projects processed per year has increased from 3.5 to 4, representing a 14% increase;
- (ii) the consultant recruitment time has been reduced by 25%; and
- (iii) the project processing time has been reduced by 12%.

¹¹ As of December 2019, all funds under the TAs are fully allocated with over \$4.7 million (53%) disbursed from TA 9242 and close to \$2 million (34%) from TA 9425. Only 3% was disbursed from TA9772 as it became effective only in July 2019, while there were no disbursements yet from TA 9868 as it became effective only in November 2019.

¹² The two transaction TA facilities are included as priority projects in the CEFPF annual work program for 2020.

Table 5: Performance of the Facility

Measure	Target Improvement	Comment	Result
Projects processed	Number increased by one third	14 Pacific energy projects were processed over the 4 years from 2013 to 2016 (average of 3.5 per year) 12 Pacific energy projects were processed over the 3 years (when the facility was operational) from 2017 to 2019 (average of 4 per year)	Annual number of projects processed increased by 14%
Staff time spent on consultant recruitment	Reduced by half	Seven consulting contracts have been awarded for preparing facility projects, four of which are funded under the regional investment TA (footnote 4) and three are using other sources. In the absence of a metric on staff time spent on consultant recruitment, the time incurred for consultant recruitment is considered. ADB's Procurement, Portfolio and Financial Management Department advised that the average time for consultant recruitment is 6.5 months. Excluding the Vanuatu project, the consultants for which were recruited during 2012–2014 (before approval of the facility), the average recruitment time of the six remaining consulting contracts was 149 days (~5 months), representing a 25% reduction in ADB's average recruitment time.	Reduced by 25%
Processing time	Reduced by one third	The facility's programmatic approach streamlines procedures including replacing the standard concept paper approval process with approval of a scoping mission back-to-office report as well as delegating approval to the President, thereby eliminating the process of circulation to ADB's Board of Directors for approval. Concept preparation and approval typically takes 50 calendar days while Board circulation requires 21 calendar days. Therefore, the streamlined procedures reduce the processing time by about 2.5 months. The processing time is calculated from the concept design review meeting (where applicable) or the approval of the scoping mission back-to-office report to project approval. Of the eight approved facility projects, the average processing time was 21 months. Assuming that processing would have been 2.5 months longer without streamlined processes, the average reduction in processing time was 12%.	Reduced by 12%

ADB = Asian Development Bank, TA = technical assistance.

Source: Asian Development Bank estimates.

VII. ISSUES ARISING AND REMEDIAL MEASURES

18. All funds under the first two transaction TAs (footnote 4 and footnote 5) were fully committed before the midpoint of the facility implementation period. The third transaction TA facility (footnote 6) was processed to prepare additional ensuing projects and support additional pre-implementation works for projects being prepared under the first TA. Two more regional transaction TA facilities will be processed in 2020 to prepare additional ensuing projects and help achieve the facility targets.

19. The RRP envisaged a high proportion of cofinancing, with a significant portion from the Green Climate Fund. At the midpoint of facility implementation, only \$42.78 million out of the targeted \$500 million cofinancing was achieved. ADB is working to reduce the cofinancing risk by seeking additional cofinancing sources. It is offsetting reduced cofinancing by incorporating the

increased Asian Development Fund allocations for 2019–2020, approved by the Board in October 2018, when considering project design and financing.¹³

20. Cofinancing from the Government of New Zealand through its Ministry of Foreign Affairs and Trade has been committed for the Kiribati project in 2020, with additional funds to support follow on projects. Moreover, ADB is collaborating with the World Bank as well as the Government of Australia through the Australian Infrastructure Financing Facility for the Pacific to process cofinancing for several renewable energy projects in the PIC-11 from 2021-2022. These funds will not only help achieve the facility's cofinancing target but will also enable achievement of the facility's renewable energy generation target by significantly increasing the size of projects.

21. Renewable energy generation and transmission and distribution outputs are below target, while battery energy storage systems are ahead of target. This is due to client countries and project preparation consultants identifying the need for project components different from those assumed by ADB at facility concept stage. Facility outputs and targets as well as the methodology for calculating efficiency gains will be reconsidered during the interim review.

22. The facility's streamlined processes have resulted in modest improvements in processing performance. The innovative approaches to consultant recruitment as envisaged under the facility, such as use of framework contracts and single-source selection, were not used to the extent possible thereby weakening the effectiveness of the innovative measures. As more projects needed to be processed, the resources of the two initially identified firms were overextended and some required disciplines were not available. New firms needed to be engaged through competitive selection to ensure high quality performance.¹⁴ Greater use of framework contracts and the one project one consultant approach as well as new methodologies for calculating efficiency gains from their use will be considered in the Interim Review.

VIII. INTERIM REVIEW

23. The RRP requires that ADB conduct an interim review of the facility and report to the Board the status and performance of the facility, including recommendations for design and scope modifications, before 31 July 2020 or when 50% of the \$200 million approval limit has been utilized, whichever occurs first.

IX. CONCLUSIONS

24. The objective of the facility is to finance about 20 renewable energy projects in the PIC-11 at an estimated cost of \$750 million. Projects will be considered for financing up to July 2022, with implementation to be completed by July 2025. Facility outputs include investment projects (output 1) and reform and capacity building projects (output 2).

25. At the end of December 2019, the midpoint of the facility project processing period, eight projects had been approved under output 1, representing an investment of \$141 million or 19% of the estimated total facility investment. Project implementation is progressing satisfactorily. As measured against the DMF targets, one indicator (battery storage) is ahead of the target, while

¹³ Asian Development Bank. 2018. *Increase in the Base Allocation of the Performance- Based Allocation System for 2019–2020*. Manila. <https://www.adb.org/documents/increase-performance-based-allocation-system-2019-2020>.

¹⁴ Single-source selection of already engaged consultants also presented conflict of interest in some cases such as when project preparation consultants had some participation in the preparation of terms of reference for the project implementation consultant. To avoid this, ADB will use the one project one consultant approach to further streamline consultant recruitment and will assess in the facility interim review.

two indicators (renewable energy generation, and transmission or distribution construction) are behind schedule. Output 2 projects (guarantee product, reform documents, regional initiatives, and capacity building events) are progressing on schedule and achievement of targets is on track.

26. The facility's streamlined approach has improved processing performance, with reductions in the amount of staff time spent on consultant recruitment and the processing time, and an increased number of projects processed. However, improvements are below target.

27. The RRP envisaged a high proportion of cofinancing, which is unlikely to be achieved timely. The project pipeline for 2021 and 2022 is yet to be identified but will be designed to improve the performance of the facility. In addition to assessing the continued relevance of the facility output indicators, ADB is addressing the delays in achieving facility targets by (i) utilizing additional ADF allocations to expand project scopes, and (ii) actively seeking cofinancing sources. ADB is conducting a strategic review of PIC-11 investment requirements prior to the facility interim review in July 2020. The interim review report will include recommendations for design and scope modifications, as provided for in the facility RRP.

SUMMARY OF APPROVED INVESTMENT PROJECTS AND PROJECT PIPELINE

Approval Year	Country	Project	Solar (MW)	Hydro (MW)	Wind (WM)	All RE Generation (MW)	Batteries (MWh)	T&D (km)	Diesel rehabilitation (units)	New HH(i)	ADB Loan	ADB Grant	Total ADB	Cofinancing	Gov	Total (US\$ million)
		APPROVED														
2017	VAN	Energy Access Project		0.40		0.40		21.00		1,050	2.50	2.50	5.00	7.00	3.10	15.10
2017	RMI	Majuro Power Network Strengthening Project										2.00	2.00		0.25	2.25
2018	TON	Outer Island Renewable Energy Project				-						5.50	5.50	3.38		8.88
2018	RMI	Energy Security Project										12.70	12.70			12.70
2019	TON	Renewable Energy Project	1.15			1.15	25.60					12.20	12.20	32.40	8.60	53.20
2019	TUV	Increasing Access to Renewable Energy Project	0.72			0.72	2.00					6.00	6.00		0.48	6.48
2019	FSM	Renewable Energy Development Project	2.96			2.96	0.80			48		15.00	15.00		0.51	15.51
2019	NAU	Solar Power Development Project	6.00			6.00	2.50					22.00	22.00		4.98	26.98
	All	Approved	10.83	0.40	-	11.23	30.90	21.00	-	1,098.00	2.50	77.90	80.40	42.78	17.92	141.10
		PIPELINE														
2020	RMI	Waste to Energy Project										4.00	4.00			4.00
2020	PAL	Renewable Energy Project	4.00			4.00	10.00					6.00	6.00			6.00
2020	RMI	Majuro Network Strengthening Phase 2						100.00				2.00	2.00	16.00	5.60	23.60
2020	KIR	South Tarawa Renewable Energy Project	5.50			5.50	11.25					8.00	8.00	5.70	1.00	14.70
	ALL	Pipeline	9.50	-	-	9.50	21.25	100.00	-	-	-	20.00	20.00	21.70	6.60	48.30
	All	APPROVED AND PIPELINE	20.33	0.40	-	20.73	52.15	121.00	-	1,098.00	2.50	97.90	100.40	64.48	24.52	189.40
		Facility targets by mid 2022 (= end of processing period)				80.00	30.00	300.00	5.00	2,000.00			200.00	500.00	50.00	750.00
		Actual projects by end 2019 (= 50% of processing period) as a % of facility targets				14%	103%	7%	0%	55%			40%	9%	36%	19%

ADB = Asian Development Bank, FSM = Federated States of Micronesia, HH = households connected KIR = Kiribati, km = kilometer, MW = megawatt, MWh = megawatt-hour, NAU = Nauru, PAL = Palau, RMI = Republic of the Marshall Islands, TON = Tonga, TUV = Tuvalu, VAN = Vanuatu.

Source: Asian Development Bank estimates.

DETAILS AND STATUS OF APPROVED INVESTMENT PROJECTS

PIC	Summary Description	Project Name	Loan and/or Grant Number	Approval	Board Circulation	Scheduled Completion	Amount (\$ million)	Cofinancier	Procurement Status
VAN	The project will increase energy access and renewable energy generation.	Energy Access Project	Loan 3572-VAN Grant 0543-VAN Grant 0544-VAN	26 Sept 2017	8 Dec 2017	31 Mar 2024	12.00	Strategic Climate Fund	Supervision consultant contract awarded. Works contract for constructing Brenwe Hydropower Plant signed on 22 January 2020. Procurement for transmission and distribution contracts (2 lots) needs to be rebid as there were no responsive bids in the original bidding. Rebidding will commence by mid-May 2020.
RMI	The project will install advanced metering infrastructure on the Majuro power system.	Majuro Power Network Strengthening	Grant 0554-RMI	27 Nov 2017	21 Dec 2017	31 Jul 2022	2.00		Supervision consultant appointed. Implementation delayed because of failure of two procurement exercises. Procurement expected by Q2 2020.
RMI	The project will rehabilitate the existing Majuro tank farm.	Energy Security Project	Grant 0637	5 Dec 2018	29 Jan 2019	30 Jun 2024	12.70		Supervision consultant to be recruited. Works and goods contracts to be procured by Q2 2020.
TON	The existing project will install 1.32MWp of solar PV systems on nine islands. The project will meet financing gaps	Outer Island Renewable Energy Project (additional financing)	Grant 0586-TON Grant 0587-TON Grant 0588-TON	31 Jul 2018	21 Aug 2018	30 Jun 2020	8.88	Global Environment Facility Government of Australia	Procurement of works and goods packages under Phase 4 mini-grid distribution are ongoing and will be completed by Q2 2020 and PMU consultant contracts have been

PIC	Summary Description	Project Name	Loan and/or Grant Number	Approval	Board Circulation	Scheduled Completion	Amount (\$ million)	Cofinancier	Procurement Status
	and scale up the existing project.								extended to 30 Jun 2021
TON	The project will help Tonga move from dependence on imported fossil fuels to using clean and renewable energy resources.	Renewable Energy Project	Grant 0640-TON Grant 0641-TON Grant 0642-TON	11 Mar 2019	13 Mar 2019	31 Oct 2022	53.20	Government of Australia Green Climate fund	Supervision consultant recruited. Two of three works contractors procured. Third works contractor under procurement. On schedule.
TUV	The project will expand access to modern energy services;	Increasing Access to Renewable Energy Project	Grant 0674-TUV	4 Nov 2019	4 Nov 2019	31 Dec 2022	6.00		Supervision consultant and works contractor under recruitment. On schedule.
FSM	The project will finance renewable energy generation in the FSM states of Kosrae and Yap.	Renewable Energy Development Project	Grant 0680-FSM	3 Dec 2019	12 Dec 2019	31 Aug 2023	15.50		Supervision consultant to be recruited. Works and goods contracts to be procured.
NAU	The project will replace diesel generation with lower cost renewable energy.	Solar Power Development Project	Grant 0664-NAU	18 Sep 2019	2 Oct 2019	28 Feb 2024	26.98		Works supervision consultant recruited. Project supervision consultant under recruitment. Procurement of contractor ongoing. On schedule.

FSM = Federated States of Micronesia, MWp = megawatt peak, NAU = Nauru, PIC = Pacific island country, PMU = Project Management Unit, PV = photovoltaic, Q = quarter, RMI = Republic of the Marshall Islands, TON = Tonga, TUV = Tuvalu, VAN = Vanuatu.

Source: Asian Development Bank estimates.

STATUS OF APPROVED TECHNICAL ASSISTANCE PROJECTS

TA Name	TA Number	Scope	Approval	Financing	Status
Pacific Renewable Energy Investment Facility	TA 9242	Processing and implementation of investment projects, capacity building measures, private sector participation, and creation of a facility support unit	24 Nov 2016	TASF: \$5.0 million CEF: \$3.0 million HLTF: \$0.5 million UNDP \$0.435 million Total: \$8.935 million	Consultant contracts awarded to (i) establish a facility support unit, (ii) prepare and implement the Tonga and Federated States of Micronesia projects, (iii) prepare the Nauru project, (iv) prepare the Marshall Islands project, (v) develop a regional guarantee product, (vi) prepare the Samoa project, and (vii) prepare the Tuvalu project.
Capacity Building and Sector Reform for Renewable Energy Investments in the Pacific	TA 9425	The TA will provide capacity building and policy advice support to ongoing and ensuing projects, comprising projects included in the indicative project pipeline under the Pacific Renewable Energy Investment Facility and other investment projects in energy planned or proposed in the country operations business plans of Pacific developing member countries.	22 Nov 2017	GCF ^a \$5.0 million TASF: \$0.8m Total \$5.8 million	Assessment of utilities is complete in Republic of Marshall Islands and is ongoing in Federated States of Micronesia, Nauru, and Cook Islands. Progress is on track.
Preparing the Pacific Renewable Energy Investment Facility (Phase 2)	TA 9772	The TA facility will conduct required due diligence and provide project preparation and procurement support, capacity building, and policy recommendations for seven ensuing energy sector projects for approval in 2019–2022 under the Pacific Renewable Energy Investment Facility.	19 Jul 2019	TASF: \$3.0 million SCF: \$1.0 million Total: \$4.0 million	Consulting contracts awarded for (i) project preparation consultants for the Kiribati South Tarawa Renewable Energy Project, (ii) a consultant to supervise site preparation activities for the Nauru Solar Power Development Project,
Development of the Pacific Energy Regulators Alliance	TA 9868	The TA will develop a model for the institutionalization of a Pacific Energy Regulators Alliance, define its administrative and governance structures and scope of activities, determine its resource requirements, and prepare an initial work plan to ensure its sustainability and mechanisms for the attraction and management of additional financial resources.	15 Nov 2019	TASF: \$225,000	Consultants are under recruitment

CEF = Clean Energy Fund, GCF = Green Climate Fund, HLTF = High-Level Technology Fund, SCF = Strategic Climate Fund, TA = technical assistance, TASF = Technical Assistance Special Fund, UNDP = United Nations Development Fund.

^a The TA is funded wholly by a grant from the GCF, the funding proposal for which was approved by the GCF board at its 17th meeting on 11 December 2016. The funded activity agreement (cofinancing agreement) for the TA (and the Cook Islands investment project included in the same funding proposal) was negotiated and concluded on 18 May 2018.

Source: Asian Development Bank estimates.

DATA FOR CALCULATING FACILITY EFFICIENCY MEASURES

Table A4.1: Time Reduction because of Facility Streamlined Processes

PIC	Project	Scoping Mission	CDRM	Project Approval	Processing Time ^a (months)	Processing Time without Facility Streamlined Processes ^b (months)	% Time Reduction due to Facility Streamlined Processes
VAN	Energy Access Project		11 Apr 2012	26 Sep 2017	66.5	69.0	4%
RMI	Majuro Power Network Strengthening Project		28 Oct 2016	27 Nov 2017	13.2	15.7	16%
TON	Outer Island Renewable Energy Project (Additional financing)	9 Feb 2018		31 Jul 2018	5.7	8.2	30%
RMI	Energy Security Project	28 Feb 2018		5 Dec 2018	9.3	11.8	21%
TON	Renewable Energy Project	9 Feb 2018		11 Mar 2019	13.2	15.7	16%
TUV	Increasing Access to Renewable Energy Project	11 Oct 2018		4 Nov 2019	13.0	15.5	16%
FSM	Renewable Energy Development Project	24 May 2019		3 Dec 2019	6.4	8.9	28%
NAU	Solar Power Development Project	29 Sep 2017		19 Sep 2019	24.0	26.5	9%
				Average	18.9	21.4	12%

CDRM = concept design review meeting, FSM = Federated States of Micronesia, NAU = Nauru, PIC = Pacific island country, RMI = Republic of the Marshall Islands, TON = Tonga, TUV = Tuvalu, VAN = Vanuatu.

^a Equal to the time from the CDRM or scoping mission to approval.

^b Equal to the processing time plus 2.5 months*

*The facility's programmatic approach streamlines procedures including replacing the standard concept paper approval process with approval of a scoping mission back-to-office report as well as delegating approval to the President, thereby eliminating the process of circulation to ADB's Board of Directors for approval. Concept preparation and approval typically takes 50 calendar days while Board circulation requires 21 calendar days. The streamlined procedures, therefore, reduce the processing time by about 2.5 months.

Source: Asian Development Bank.

Table A4.2: Pacific Energy Investment Projects Processed

Year	Non-Facility Projects	Facility Projects
2013	<ol style="list-style-type: none"> 1. FSM: Yap Renewable Energy Development Project 2. PNG: Port Moresby Power Grid Development Project 3. SAM: Renewable Energy Development and Power Sector Rehabilitation Project 4. TON: Outer Island Renewable Energy Project 	
2014	<ol style="list-style-type: none"> 1. COO: Renewable Energy Sector Project 2. NAU: Electricity Supply Security and Sustainability Project 3. SOL: Provincial Renewable Energy Project 4. TON: Cyclone Ian Recovery Project 	
2015	<ol style="list-style-type: none"> 1. PNG: Town Electrification Investment Program, Tranche 1 (additional financing) 2. SAM: Renewable Energy Development and Power Sector Rehabilitation Project (additional financing) 3. TON: Outer Island Renewable Energy Project (additional financing) 	
2016	<ol style="list-style-type: none"> 1. COO: Renewable Energy Sector Project (additional financing) 2. SOL: Solar Power Development Project 3. TON: Outer Island Renewable Energy Project (additional financing) 	
2017	<ol style="list-style-type: none"> 1. PNG: Town Electrification Investment Program, MFF Tranche 2 2. COO: Renewable Energy Sector Project 	<ol style="list-style-type: none"> 1. RMI: Majuro Power Network Strengthening Project, Phase 1 (Majuro Electricity System Strengthening Project) 2. VAN: Energy Access Sector Project
2018	<ol style="list-style-type: none"> 1. TON: Cyclone Gita Recovery Project 	<ol style="list-style-type: none"> 1. RMI: Energy Security Project (formerly Farm Tank Project) 2. TON: Outer Island Renewable Energy Project (additional financing)
2019	<ol style="list-style-type: none"> 1. SOL: Tina River Hydropower Project 	<ol style="list-style-type: none"> 1. NAU: Solar Power Development Project 2. TON: Renewable Energy Project 3. TUV: Increasing Access to Renewable Energy Project 4. FSM: Renewable Energy Development Project

COO = Cook Islands, FSM = Federated States of Micronesia, MFF = multitranchise financing facility, NAU = Nauru, PNG = Papua New Guinea, RMI = Republic of the Marshall Islands, SAM = Samoa, SOL = Solomon Islands, TON = Tonga, VAN = Vanuatu.

Source: Asian Development Bank.

Table A4.3: Consultant Recruitment Times

PIC	TA No.	Create Consultant Recruitment Plan	Contract Signing	Elapsed Time (Days)	ADB Average	% Reduction on ADB Average
FSM and TON	9242	11 April 2017	25 October 2017	197	199	1%
NAU	9242	16 December 2017	11 June 2018	177	199	11%
RMI (energy security)	9225	01 June 2018	17 June 2018	16	199	92%
TUV	9242	15 February 2018	03 August 2018	169	199	15%
SAM	9242	23 June 2017	01 December 2017	161	199	19%
RMI (network strengthening)	9225	16 June 2016	07 December 2016	174	199	13%
VAN	8285	12 April 2013	10 February 2014	304	199	(53%)
Average excluding Vanuatu project since consultants were recruited prior to facility approval				149	199	25%

ADB = Asian Development Bank, FSM = Federated States of Micronesia, NAU = Nauru, PIC = Pacific island country, RMI = Republic of the Marshall Islands, SAM = Samoa, TA = technical assistance, TON = Tonga, TUV = Tuvalu, VAN = Vanuatu.

Sources: Asian Development Bank.