



Chair's Summary of Meeting of the Board of Directors

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Energy Policy Supporting the Low-Carbon Transition in Asia and the Pacific

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Asian Development Bank

1. On 20 October 2021, the Board of Directors of the Asian Development Bank (ADB) approved the 2021 Energy Policy that will guide energy sector operations in supporting the low-carbon transition of ADB developing member countries (DMCs).

2. Many Directors noted the importance of universal energy access as an important lever for the economic development of the DMCs and commended the primacy that is placed by the new Energy Policy provided on this. Directors also recognized specific provisions that outline how ADB will support the energy transition of its DMCs while recognizing the varying contexts of DMCs and differing starting points in their respective transitions to the low-carbon pathway. Some Directors opined that these provisions could have been stronger to ensure full Alignment with the temperature goal as set forth in the Paris Agreement, but still see the new Energy Policy as a step in the right direction.

3. Some Directors provided recommendations on the effective implementation of the new Energy Policy. These include transfer of technology; and enhancement of ADB's financing instruments, including technical assistance, innovative business models, and mobilizing climate finance in partnership with other multilateral development banks—that will help DMCs during the transition that could be costly and disruptive. Some Directors urged ADB to consider appropriate and cautious steps, with practical and innovative solutions during planning and implementation, to avoid global supply-chain disruptions and the rising cost of essential production inputs.

4. Other Directors opined that ADB could maximize the existing tools and venues¹ that it currently has, to keep the actions of DMCs aligned with their commitment to global climate goals. Some Directors cautioned that future actions relating to fossil fuels, blue hydrogen, and waste to energy should go through rigorous assessment against the use of alternative renewable sources, a zero-waste vision, best available technology and the impact on greenhouse gas emissions, to merit their support.

5. All Directors expressed their expectation that the Board be consulted on the guidance notes to be developed for gas, large hydropower, and waste-to-energy projects, following the approval of the new Energy Policy.

6. Some Directors requested to be kept updated about the progress on the revised social cost of carbon based on latest available science in early 2022. These Directors also requested ADB to consider in its 2025 review latest scientific evidence and the progress in energy technologies towards better supporting DMCs in meeting their commitments to carbon neutrality among others.

7. One of the views expressed was, support for natural gas should be dependent on the country's level of development.

8. With the exception of two members who abstained, all other members supported the proposed energy policy.

¹ Such as policy dialogues, the country partnership strategy process, and knowledge-sharing activities.