

ADB's Initiatives in the Climate Change Area

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- 1. Clean Energy Strategy of ADB**
- 2. ALGAS Project**
- 3. REACH Program Trust Funds**
 - **Netherlands Cooperation Fund (PREGA)**
 - **Danish Cooperation Fund**
 - **Canadian Cooperation Fund**

Evolution of Energy Operations

1990s

- **ADB's Role as Catalyst Development Institution**
- **Operational focus expanded to cover following areas besides energy generation & transmission**
 - **Rural Electrification**
 - **Energy Efficiency and Conservation**
 - **Environment**
 - **Renewable Energy**
 - **Power Sector Restructuring**

Promotion of Clean Energy

- **Market-based instruments**
- **Promotion of renewable energy & energy efficiency**
- **Expanded access to modern energy for the rural & urban poor**
- **Increased private sector involvement and policy reforms to release government resources to concentrate on social development issues**

- First trust fund administered by ADB
- A \$10 million regional technical assistance for greenhouse gas abatement implemented from 1995-1999
- Co-financed by GEF (through UNDP), ADB, Government of Norway, and Participating Countries
- Twelve countries participated (Bangladesh, People's Republic of China, India, Indonesia, Republic of Korea, Mongolia, Myanmar, Pakistan, Philippines, Thailand, Viet Nam and Democratic People's Republic of Korea, which was implemented by ESCAP.

- **Produced the first nationally derived GHG inventories for 12 Asian countries**
- **Contributed to better inventory methodology**
- **Established a cadre of Asian GHG inventory and mitigation experts**
- **Created national strategies and action plans**
- **Raised awareness and developed ownership of strategies and projects**

2001 - Trust Funds administered by ADB

- **Netherlands Cooperation Fund for Promotion of Renewable Energy, Energy Efficiency (PREGA) (\$6.0 million)**
- **Canadian Cooperation Fund on Climate Change (\$3.2 million)**
- **Danish Cooperation Fund for Renewable Energy, Energy Efficiency in Rural Areas (\$3.5 million)**

Goals of PREGA

- **To promote sustainable development in DMCs**
- **To promote investments in renewable energy, energy efficiency and greenhouse gas abatement (REGA) technologies**
- **To address policy and institutional barriers to dissemination of REGA technologies**

- **Assist to establish or strengthen national capability to develop CDM projects**
- **Generate a pipeline of REGA investment projects for financing through commercial, multilateral, and bilateral sources**
- **To build capacity to promote GHG abatement projects**

- ***South Asia:*** Bangladesh, India, Nepal, Pakistan, Sri Lanka
- ***East and Central Asia:*** People's Republic of China, Mongolia, Kazakhstan, Kyrgyz Republic, Uzbekistan
- ***Southeast Asia:*** Indonesia, Philippines
- ***Mekong:*** Cambodia, Viet Nam
- ***Pacific:*** Samoa

- **Initiation workshop conducted in April 2001 in Manila**
- **Steering Committee/Working Group and Secretariat established in ADB**
- **International and national technical experts began working**
- **Regional training workshop (22-26 July 2002, Bangkok)**

- I. Preliminary activities & progress review
- II. Review of country experience with REGA technologies
- III. REGA project development to pre-feasibility stage
- IV. Policies and strategies for developing & promoting REGA technologies
- V. Capacity building and outreach
 - **Workshops**
 - **Outreach activities**
 - **Training Manuals**
 - **Website development**

Canadian Cooperation Fund

- **\$3.2 million grant from Government of Canada**
- **Approved on 22 March 2001**
- **To assist and engage DMCs at the programming and policy levels in the management and abatement of climate change**

- **GHG mitigation projects in PRC and India**
- **Carbon sequestration in Indonesia**
- **Adaptation to climate change in Pacific Island countries**

“Opportunities for the Clean Development Mechanism in the Energy Sector in PRC”

- **Total grant of \$775,000**
- **To develop guidelines and action plans for small-scale CDM activities**
- **To identify small-scale GHG reduction projects that could be eligible for CDM**

For consideration

- **Climate Change Adaptation for the Pacific (ClimaP): Integrating Adaptation Measures into the Programs & Project Cycles**

Danish Cooperation Fund

- **\$ 3 . 5 million trust fund from the Government of Denmark**
- **Recipients are DMCs with annual per capita GNP of less than \$2,500**
- **Focus on renewable energy & energy efficiency in energy supply systems & at the end use level**
- **Support activities in rural areas and small towns**

Project Concepts under Consideration

- **UZB: Sustainable Energy Sector Development**
- **MON: Renewable Energy Development in Small Towns and Rural Areas**
- **CAM: Small Hydropower Plants**
- **VIE: Mini-Hydropower Plants**
- **INO: Power Welfare Scheme**

Project Concepts Under Consideration

- **PHI: Renewable Energy for Rural Electrification and Livelihood Development Pilot Project in Southern Tagalog Region**
- **Pacific Islands: Promotion of Renewable Energy and Energy Efficiency for Sustainable Development**

Thank You!

2. Future Assistance Strategy

Energy 2000

- **ADB reviewed its energy policy in light of evolving approaches and decided to reorient operational priorities to**
 - *align energy sector projects with poverty reduction strategy by increasing access to energy and pro-poor energy supply**

2. Future Assistance Strategy

- **Improve governance and promoting private sector participation through competitive markets**
- **Address regional and global environmental impacts by promoting cleaner energy initiatives and energy efficiency**
- **Promote regional and subregional cooperation and trade**

Activities Eligible for Funding

- **Upstream analytical work on existing energy use patterns**
- **Institutional development/capacity building on REGA technologies in rural areas**
- **Developing support services such as credit, norms and standards, certified skills, information and maintenance**
- **Pilot projects designed to disseminate renewable energy**

Activities Eligible for Funding

- **Awareness, capacity development and pilot activities to minimize adverse effects of cook stoves**
- **Regional dissemination of “best practice” and new approaches developed under the program**
- **Capacity building for country/regional assessments and strategies for GHG abatement**