Asian Development Bank
Innovations in Supporting Energy Transition

Prepared for:

EIA Clean Power Investment Workshop
Session 2: Investment perspectives, governmental priorities and regional considerations

Fei Yu,
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**Key Energy Challenges in Asia and the Pacific**

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<th>Energy Access</th>
<th>Energy Security</th>
<th>Environmental Sustainability</th>
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- Doubling of electricity demand by 2040 projected
- Renewable energy investments to reach $1.3 trillion annually by 2030
- Current annual T&D investment $1 trillion
- Most vulnerable to climate change
- 50% of global GHG emissions from Asia-Pacific
- Fossil fuels dominant in the region (75% in 2019)
- 37% of the global CO₂ emissions from power industry
- 40% of CO₂ emissions from coal power generation
- Regressive and outdated sector regulation and governance
- Subsidies and financial incentives to be re-considered
- Private sector participation needed to meet massive investment requirements
Energy Sector Portfolio, 2011–2021

ADB lending

Energy sector (20%)

Total energy sector lending

Clean energy (52%)

Transmission & distribution, Others (48%)

Climate mitigation financing

Renewable energy (60%)

Energy efficiency (39%)

Fuel switching/cleaner fuel (1%)

Annual average share
ETM Southeast Asia Partnership Launch at COP26, Glasgow UK

- Joined by Indonesia and Philippines as key partners to launch the pilot study for ETM.

- $25 million grant announcement by Japan’s Ministry of Finance, the first seed financing for the mechanism.

- The partnership was endorsed by senior cabinet-level officials from Denmark, the United Kingdom, and the United States, as well as leading global financial institutions and philanthropies.

- MOU signed with Rockefeller Foundation, with a % of support towards the ETM

"I am pleased by the Asian Development Bank’s work to accelerate the decommissioning of coal facilities. The world needs forward-thinking creative approaches to financing, especially from the multilateral development banks. And we need to find creative solutions so that our public funds crowd in additional private investment, as the bank is aiming to do here."

- Janet Yellen, Secretary, US Department of the Treasury

"I want to thank the Asian Development Bank for its work, which will help bring many benefits. Cutting coal use doesn’t just reduce the risks we face from climate change, it also reduces air pollution that kills so many people, including in Asia. Today’s announcement will help to jumpstart more climate finance that helps to retire coal plants faster and improve many lives."

- Michael Bloomberg, UN Secretary General’s Special Envoy on Climate Ambitions and Solutions
ADB provided blended finance for pilot, PPP, debt financing, and transaction advisory support.

### Cambodia National Solar Park Project

- **ADB** provided blended finance for pilot, PPP, debt financing, and transaction advisory support.
- **Bavet project**
- **National solar grid integration study & roadmap**
- **Transaction advisory**
- **Cambodia National Solar Park**
- **Solar park and transmission infrastructure**
  - Sovereign financing
  - **Solar power plants**
    - Competitive bidding
    - Blended financing
    - Commercial financing and other co-financing

### ADB Southeast Asia Innovation Hub

**KEY ACTIVITY PILLARS**

- **TEAM**
  - Core team of in-house experts provides innovative solutions to develop sustainable infrastructure projects across Southeast Asia

- **KNOWLEDGE & CAPACITY**
  - Promote thought leadership and capacity building initiatives on green and innovative finance

- **CONCEPTS & PROJECT DEVELOPMENT**
  - Develop innovative finance ideas and concepts for ADB pipelines

- **GLOBAL PARTNERSHIPS**
  - Foster synergies and collaboration with development partners

- **ACGF**
  - Accelerate green infrastructure in ASEAN through a regional green fund