A Workshop on the Joint Crediting Mechanism: **Introduction to ADB Operations**

Teruhisa Oi  
Senior Energy Specialist  
East Asia Department  
Asian Development Bank
What is Asian Development Bank (ADB)?

ADB is a regional development bank established on 22 August 1966, which is headquartered in Manila, Philippines to facilitate economic development of countries in Asia. ADB now has 67 member countries.
Asia: Energy-Economy-Urbanization

Industrial-based economic growth and urbanization

Growing energy demand

More power plants (fossil fuel-based)

Increasing carbon and pollutants emissions

Climate change and urban air pollution

Need to secure fossil fuel

Energy politics and energy dependency
Energy Demand in Asia

Projected to almost double by 2030

Urgent need for innovative ways to generate power in a socially, economically, and environmentally sustainable manner.

Solutions = cleaner fuel + renewables + energy efficiency
Energy Consumption by Sector

World Delivered Energy Consumption by End-Use Sector
(quadrillion Btu)

ADB’s Corporate Policy
Strategy 2020

Investment focuses on:

Green Infrastructure

Urban Environment Improvement & Climate Change Mitigation

Innovation
The 3 Pillars of ADB’s Energy Policy

1. Promoting energy efficiency and renewable energy
2. Maximizing access to energy for all
3. Promoting energy sector reform, capacity building, and governance
ADB’s Operation in 2015

Approvals of loans and grants, technical assistance, and cofinancing amounted to $27.15 billion in 2015, of which:

- $16.58 billion of loans and grants, sovereign and nonsovereign
- $144 million of technical assistance, and
- $10.43 billion of cofinancing.
### Clean Energy Investments

$2.5 billion in 2015

<table>
<thead>
<tr>
<th>Area</th>
<th>Amount ($ million)</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Energy efficiency</td>
<td>1,370</td>
<td>55</td>
</tr>
<tr>
<td>Renewable energy</td>
<td>962</td>
<td>39</td>
</tr>
<tr>
<td>Clean fuel</td>
<td>146</td>
<td>6</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>2,478</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>
## Clean Energy Investment (by Region)

<table>
<thead>
<tr>
<th>Region</th>
<th>Amount ($ million)</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Private Sector</td>
<td>644.5</td>
<td>26</td>
</tr>
<tr>
<td>Southeast Asia</td>
<td>641.7</td>
<td>26</td>
</tr>
<tr>
<td>South Asia</td>
<td>604.3</td>
<td>24</td>
</tr>
<tr>
<td>East Asia</td>
<td>371.0</td>
<td>15</td>
</tr>
<tr>
<td>Central West Asia</td>
<td>203.6</td>
<td>8</td>
</tr>
<tr>
<td>Pacific</td>
<td>12.7</td>
<td>1</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>2,477.8</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
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ADB’s Commitments toward Climate Change

- Climate finance in the last 5 years: almost $13 billion
- Climate finance in 2015: around $2.5 billion
- Commitment by 2020: double funding to $6 billion per year
ADB Assistance Framework

**Sovereign Loan**
- Sovereign guaranteed investment projects

**Private/Non-sovereign loan**
- Loans, equity investments, and guarantees without sovereign guarantee (market terms and conditions) for state-owned enterprises, local government entities, and private companies

**Technical Assistance**
- studies for policy formulation
- road map preparation, and feasibility studies
- transaction advisory services
Lending Scheme (Sovereign)

ADB

Government

Government Owned Policy Bank/Commercial Bank

State-Owned Enterprises (Project Developer)
Lending Scheme (Private)

ADB

Commercial Bank

Private Enterprises (Project Developer)
Loan Terms and Conditions

- Maturity: up to 26 years including 5 years grace period
- Interest rate:

<table>
<thead>
<tr>
<th></th>
<th>Floating rate (6 months rate as of 11 July 2016)</th>
<th>Fixed rate (5 years as of 11 July 2016)</th>
</tr>
</thead>
<tbody>
<tr>
<td>LIBOR rate</td>
<td>0.94%(USD) / -0.19%(Euro)</td>
<td>1.1%(USD) / -0.15%(Euro)</td>
</tr>
<tr>
<td>Add spread</td>
<td>0.50%</td>
<td>0.50%</td>
</tr>
<tr>
<td>subtract rebate</td>
<td>0.15%</td>
<td>0.15%</td>
</tr>
<tr>
<td>Interest rate</td>
<td>1.29%(USD)/0.16%(Euro)</td>
<td>1.45%(USD)/0.20%(Euro)</td>
</tr>
</tbody>
</table>

- Commitment fee: 0.15% of undisbursed loan balance
THANK YOU !!

For further information

teruhisaoi@adb.org