

Asian Development Bank

Perspective for Rural Energy Access

ADB



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Asian Development Bank
Nepal Resident Mission

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Energy Access Situation In Asia-Pacific



4.2 Billion
Population in Asia



1.8 Billion
People without access to
clean cooking



526 Million

People without
access to electricity

ADB's Response

INTERNAL goal:

Increase ADB's investment in energy access projects and enterprises to scale up access to affordable, modern and clean energy among the regions poor

EXTERNAL goal:

Develop strategic partnerships and alliances with other stakeholders

The Three Pillars



Promoting Energy efficiency and renewable energy



Maximizing access to energy for all, especially the unserved, rural poor



Promoting energy sector reforms, capacity building, and governance

Energy Access Investment
Approved in 2015

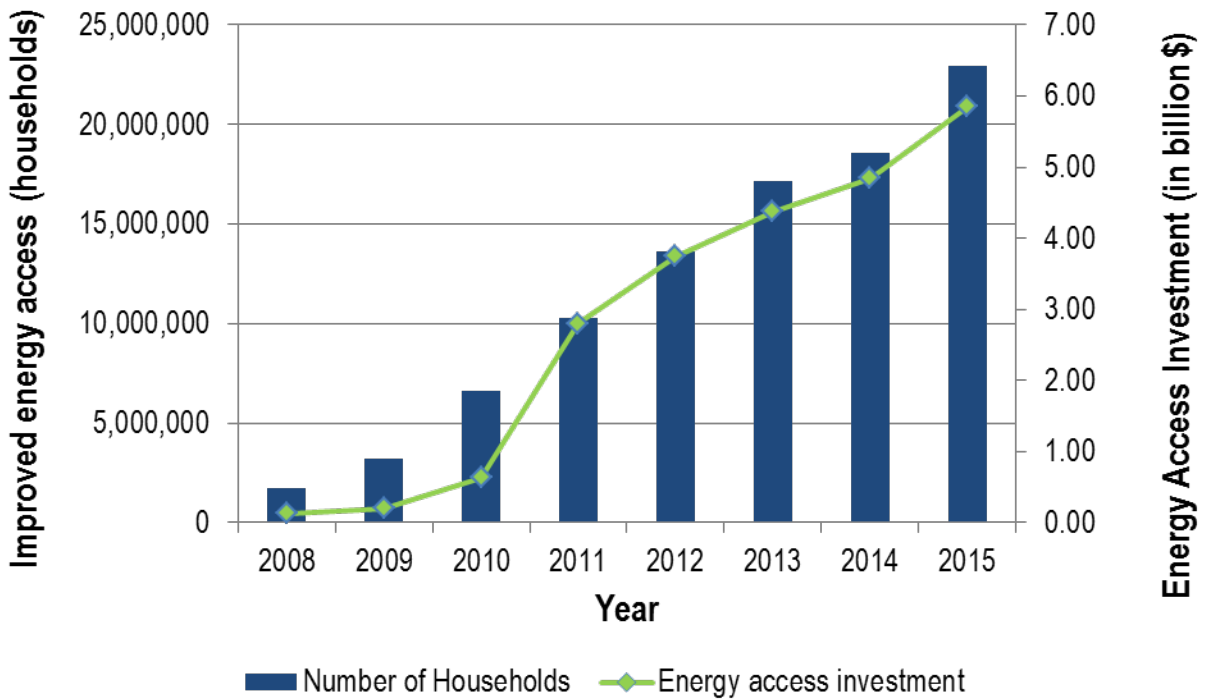
\$1.23 billion



3.6 M HHs or 18.1 M people

Accomplishments in Energy Access 2008-2015

**Impact of ADB's investments on energy access
(2008-2015 Cumulative)**



USD 6.4 billion
Total ADB investment
in energy access
(2008-2015)

104.5 million
Number of people
who will benefit from
ADB's energy
access investments

Strategies

Strategy 2020

Meeting growing energy demand in sustainable manner

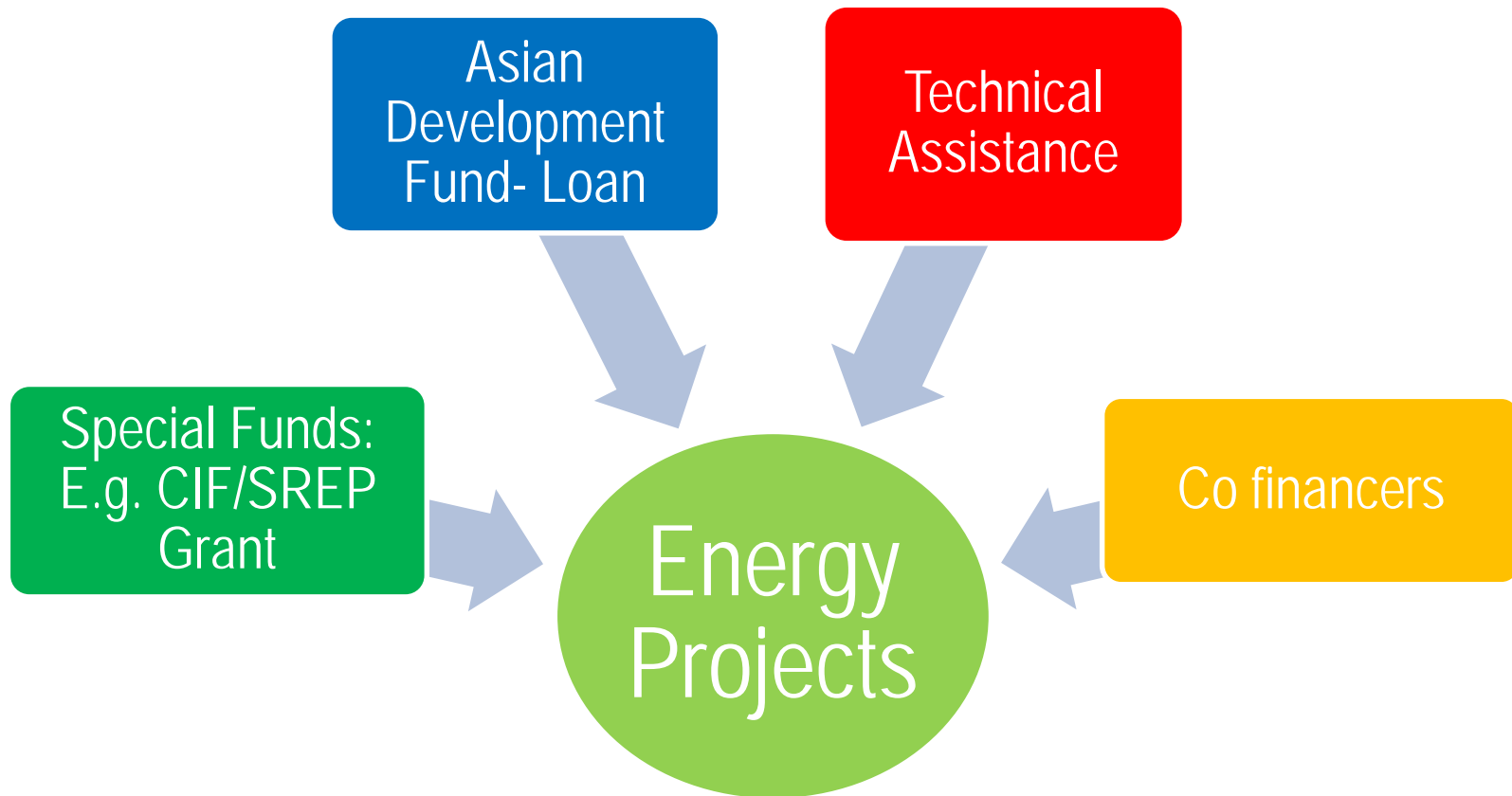
- Help expand supply of energy
- Promote energy efficiency
- Support Clean Energy
- Facilitate removal of policy, institutional, regulatory, technological, and legal constraints



Country Partnership Strategy for Nepal [2015-2017]

- Energy sector- Priority Sector
- Achieving energy security at home and promote energy export

Leveraging different funding sources



Ongoing Portfolio in Energy Sector- Nepal

The logo of the Asian Development Bank (ADB), consisting of the letters 'ADB' in white serif font on a dark blue square background.

5 active loans for \$401.7 million

3 active grants for \$42.5 million

Total: \$444.2 million (25% of total ADB's
Nepal portfolio)

Assistance Focus

- **Improving Energy Access and Clean Energy Development**
 - ✓ Hydropower Development
 - ✓ Strengthening transmission and distribution
 - ✓ Renewable Energy Development (Small Hydro, Wind, Solar, Hybrid System)
- **Enhancing energy efficiency**
 - ✓ Supply and demand side energy efficiency
- **Regional Cooperation**
 - ✓ Enhanced in country transmission link
 - ✓ Cross border transmission
- **Strengthening Sector Governance**
- **Private Sector Participation**

Project Reference

Electricity Transmission Expansion and Supply Improvement Project (Approved on 2011)

- \$ 56 million ADF + \$19 million ADF Grant+ \$25 million Norway Grant
- Strong component of electricity distribution component – NEA's grid
 - Target : 9000 HHs
- Gender focused capacity development

Project Reference

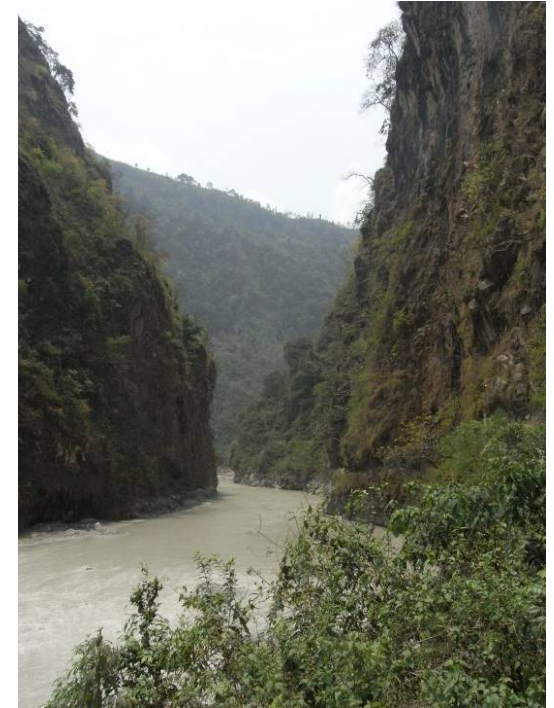
- **SASEC Power System Expansion Project (2014)**
 - \$ 180 million ADF loan + \$120 million EIB loan + \$60 million Norway Grant + \$11.2 million SREP grant (at the time of approval)
 - Strong component of electricity distribution components – NEA's grid + AEPC's off grid
 - Coverage: 56/75 districts alone with NEA's component
 - Target : 30,000 HHs
 - Preparation of Distribution System Master Plan
 - ADF loan as credit line to CREF

Project Reference

Tanahu Hydropower Project (2012)

- 140MW storage hydro power plant
- Estimated project cost \$505 million
- Rural electrification component
 - 17000 HHs around the project area will have access to main grid

Energy access has been integral component in all ADB's energy projects in Nepal.



Future Directions

- More funding available for DMCs with recent restructuring of ADB's balance sheet [merger of ADF & OCR].
 - Government shall focus on enhancing readiness of future energy projects
 - Project Design Advance
- As Regional Hub for SE4ALL, ADB will continue support in meeting SE4ALL goals [or Sustainable Development Goal]
 - Strong focus on Rural Energy Access
- Shift from grant based model to credit based model will be key
Performance of \$5 million credit line to CREF will be critical
- Capacity building & Supporting multi stakeholder platform to promote market development
 - Energy For All Partnership

Thank you