

Climate Investment Fund
Scaling-up Renewable Energy for low income countries Program (SREP)
Pilot Countries Meeting

Welcome Remarks

1 February 2017 (9:00 am), Sofitel Hotel, Phnom Penh

Mr. Samiuela Tukuafu

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Excellency Bun Narith, Undersecretary of State, Ministry of Mines and Energy,
Excellencies,
Mr. Zhihong Zhang, CTF and SREP Senior Program Coordinator, Climate Investment
Funds

Distinguished participants, ladies, and gentlemen.

On behalf of the Asian Development Bank, I warmly welcome you to the SREP Pilot Countries Meeting in Phnom Penh, Cambodia. I would also like to express my appreciation to the Climate Investment Fund Administration Unit and to the Ministry of Mines and Energy for organizing this international event.

As you are all aware, one of the major development issues in the Asia and the Pacific region is energy poverty. Half of the world's energy-poor are living in this region. More than 500 million people in ADB member countries are still without access to electricity and almost two billion people rely on traditional biomass. Many still depend on expensive diesel-based generation, especially in remote areas and small islands, which limits their disposable household income. The challenge of bolstering energy security is further compounded by the increasing energy demand in the region, which is projected to double by 2030.

Recognizing these challenges, ADB is strongly committed to alleviating energy poverty, and ensuring sustainable and inclusive growth in the region. ADB, together with its development partners, has been providing assistance to its developing member countries (DMCs) to address these challenges:

- The 2009 Energy Policy emphasizes the need for greater energy access, support for renewable energy (and energy efficiency), and promotion of sector reform, including governance and capacity building. Backed by this policy, the Energy for All (E4ALL) Initiative was established to empower the region's poor by developing and mainstreaming approaches for scaling up access to affordable, modern and clean energy.
- ADB is scaling up its financial support to clean energy. In 2015, ADB announced the doubling of its annual climate finance to \$6 billion by 2020, increased from the previous \$3 billion. Of this amount, \$4 billion will be dedicated to mitigation, which include renewable energy, energy efficiency, sustainable transport, and

building smart cities. \$2 billion will be for adaptation. This doubling of climate finance reflects ADB's strategic priorities.

- In 2016, ADB clean energy investments (including other co-financing sources such as Clean Investment Funds (CIF), bilateral agencies and private sector) have reached \$2.5 billion. Share of renewable energy has seen doubled from 33% in 2015 to more than 60% in 2016. In terms of energy access, ADB investments is close to \$750 million which is expected to provide new connections to modern energy to more than 1 million households or about 5 million people.
- ADB has also been very supportive of the government of Cambodia's energy sector expansion efforts. Over the last two decades, ADB has funded seven projects for generation, transmission and distribution, which have helped connect over 50,000 households to electricity. Achieving the government's target of providing electricity to all villages by 2020 is contingent on the expansion of the transmission and sub-transmission system. ADB is currently financing 2000 circuit kms of 22-kilovolt (kV) sub-transmission lines in Kampong Thom, Kampong Cham, Siem Reap, Kandal, and Banteay Meanchey provinces. Alongside, we are supporting the Rural Electricity Fund to pilot an output-based aid program, wherein rural electricity enterprises that connect poor households will be able to reimburse a portion of the connection costs, from a \$1 million grant that has been provided by ADB. ADB is also financing the construction of 22 kV lines and low voltage lines and household meters in Svay Rieng province.
- More recently, in late 2016, ADB's private sector operations approved financing for what will be Cambodia's first solar farm at Bavet. This plant is scheduled to be commissioned this year.
- We are proud to say that we are already achieving results; **however**, creating greater scale of impact requires even greater levels of support. Substantial investments are needed over the next 20 to 30 years to ensure that a secure, affordable and reliable supply of energy is available to all. Globally, according to the Sustainable Energy for All Initiative (SE4LL) of the United Nations, there is a yearly financing gap of \$40 billion to achieve universal access to energy by 2030. Here, we recognize the crucial role of private sector to help bridge this financing gap. The joint efforts from multilateral and bilateral institutions, private sector and government are considered essential to accelerate implementation and large scale replication of renewable energy projects as well as maximization of energy access.
- And this is where facilities such as the SREP are crucial. The SREP has demonstrated the economic, social and environmental viability of implementing renewable energy projects among low income countries. To date, ADB administers \$134 million of SREP funds for investment projects in eight developing member countries, of which \$52 million is already under

implementation - supporting various renewable energy technologies and capacity building activities in Nepal, Maldives and Solomon Islands. Vanuatu's hydropower project is due for ADB approval shortly; while, Mongolia, Bangladesh and Cambodia are currently developing their respective projects.

- ADB's recent study on the potential for integrating solar PV into Cambodia grid has concluded that between 250 and 1,000 MWs of solar PV can be integrated into the grid between now and 2030. ADB is actively working with the government and the private sector to identify solar PV and biomass projects and programs that can utilize SREP funds along with a combination of funds from the government, ADB own resources and the private sector.

Excellencies, Ladies and Gentlemen

Sustainable, and reliable energy decreases poverty. It improves people's socio-economic situations, directly benefits women and children, empowers rural communities and promotes environmental sustainability.

In this regard, I look forward to the meaningful discussions that will lead to deeper understanding of these pressing issues. I hope that all of you will take this opportunity and this meeting platform to actively engage in sharing of information, capitalizing on lessons learned and developing significant and effective new connections.

Thank you.