



Philippines: Tiwi and MakBan Geothermal Power Green Bonds Project

Project Name	Tiwi and MakBan Geothermal Power Green Bonds Project			
Project Number	48423-001			
Borrower/Company	AP RENEWABLES, INC. AP Renewables, Inc.			
Country	Philippines			
Location				
Approval Number	GU7243-01/3266, 7451/3266			
Type or Modality of Assistance	3266	PCG	PHP 8,025.00 million	Committed
	7451	Loan	PHP 1,800.00 million	Committed
	GU7243-01	Partial Credit Guarantee without Govt Guarantee	PHP 8,025.00 million	Committed
Strategic Agendas	Inclusive economic growth			
Drivers of Change	Partnerships Private sector development			
Sector / Subsector	Energy - Renewable energy generation - geothermal Finance - Money and capital markets			
Gender Equity and Mainstreaming	No gender elements			
Responsible ADB Department	Private Sector Operations Department			
Responsible ADB Division	Portfolio Management Division, PSOD			
Responsible ADB Officer	Taneja, Anshukant			
Project Sponsor(s)	Aboitiz Power Corporation			
Description	<p>ADB will provide a project loan in pesos (or its equivalent in US dollars) and a credit enhancement (in the form of a partial credit guarantee in pesos) to support the issuance of the Philippines' first peso-denominated green project bond. The project involves AP Renewables Inc.'s (APRI) refinancing of capital expenditure (including acquisition and plant rehabilitation) and ongoing operations and maintenance at Tiwi and Makiling- Banahaw (Tiwi-MakBan), the 7th and 4th largest geothermal facilities in the world at two locations on Luzon. The sponsor (Aboitiz Power Corporation, APC) acquired the Tiwi-MakBan complexes from the government in 2009, and invested in plant rehabilitation to improve availability and extend operating life.</p> <p>The Tiwi complex is located in the province of Albay, about 569 kilometers south of Metro Manila. With a combined nameplate capacity of 234 MW, Tiwi consists of three power plants with two generating units each. The units were commissioned between 1979 and 1982. The MakBan complex is located about 70 kilometers southeast of Metro Manila on the boundary of Laguna and Batangas provinces. With a combined nameplate capacity of 442 MW, MakBan consists of five power plants with a total of 10 generating units. The units were commissioned between 1979 and 1996.</p> <p>APRI is a wholly owned subsidiary of APC, a leading developer and operator of power generation and distribution assets in the Philippines.</p>			
Objectives and Scope				

Linkage to Country/Regional Strategy	The project is consistent with Strategy 2020 and the Midterm Review of Strategy 2020, which list infrastructure, the environment, and finance sector development as three of ADB's five core areas. Among the main pillars of ADB's country partnership strategy for the Philippines are private sector development, reduced environmental degradation, and vulnerability to climate change. The project supports each pillar. The project is also in line with ADB's programs to increase investment in infrastructure through PPPs, and to increase the availability of long-term finance to fund infrastructure investment. The ADB's Financial Sector Operational Plan recognizes that the Asia and Pacific region's capital markets require the participation of institutional investors to mobilize long-term savings for infrastructure development, and the project supports the promotion of debt capital markets, including local currency bonds, and ADB's use of innovative financing mechanisms such as credit enhancements to enable the financing of infrastructure.
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Safeguard Categories

Environment	B
Involuntary Resettlement	C
Indigenous Peoples	C

Summary of Environmental and Social Aspects

Environmental Aspects
Involuntary Resettlement
Indigenous Peoples
Stakeholder Communication, Participation, and Consultation

Timetable for assistance design, processing and implementation

Concept Clearance	27 Jan 2015
Due Diligence	
Credit Committee Meeting	29 May 2015
Approval	02 Jul 2015
Last PDS Update	28 Jul 2015

Project Page	https://www.adb.org/projects/48423-001/main
Request for Information	http://www.adb.org/forms/request-information-form?subject=48423-001
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