



Regional: Development of a Legal Framework and Documentation Conducive to Viable Private Sector Renewable Energy and Energy Efficiency Projects

Project Name	Development of a Legal Framework and Documentation Conducive to Viable Private Sector Renewable Energy and Energy Efficiency Projects				
Project Number	54049-001				
Country	RegionalBhutanIndonesia				
Project Status	Proposed				
Project Type / Modality of Assistance	Technical Assistance				
Source of Funding / Amount	<table border="1"> <tr> <td>TA: Development of a Legal Framework and Documentation Conducive to Viable Private Sector Renewable Energy and Energy Efficiency Projects</td> <td></td> </tr> <tr> <td>Technical Assistance Special Fund</td> <td>US\$ 500,000.00</td> </tr> </table>	TA: Development of a Legal Framework and Documentation Conducive to Viable Private Sector Renewable Energy and Energy Efficiency Projects		Technical Assistance Special Fund	US\$ 500,000.00
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Technical Assistance Special Fund	US\$ 500,000.00				
Strategic Agendas	Environmentally sustainable growth Inclusive economic growth				
Drivers of Change	Governance and capacity development Knowledge solutions Private sector development				
Sector / Subsector	Energy - Energy sector development and institutional reform				
Gender Equity and Mainstreaming	No gender elements				
Description	The knowledge and support technical assistance (TA) will assist ADB's developing member countries (DMCs) in creating a legal and regulatory framework which is conducive to the development of renewable energy and energy efficiency projects which meet the basic commercial viability and bankability requirements of national and international private sector investors. Additionally, the TA will assist with the development of market-standard legal templates for project documents and bidding documents and related procedures for public tenders for concessions. Further, recognizing the importance of predictable, rule-of-law based legal regimes for investor confidence, the TA will support the creation of regulatory frameworks which encourage investment in energy efficiency projects and projects which support the transition to electric transport.				
Project Rationale and Linkage to Country/Regional Strategy	Many DMCs have experienced several years of sustained economic growth which has led to an increase in power demand and consumption. The sustained period of growth has come at a great environmental expense and has made air pollution a major risk to public health and driven up energy-related carbon dioxide emissions. UN Sustainable Development Goal 7 highlights the urgent need for an increase in renewable energy use and for the adoption of energy efficiency measures to reduce the reliance on fossil fuels by the energy industry. Renewable energy and energy efficiency are central to achieving these international goals. Transitioning to a green, climate resilient economy is paramount to ensure that DMCs can reduce their greenhouse gas emissions and better hedge against climate change risks. Governments of the DMCs do not have the financial resources to cover the scale of investments required to support the creation of a more sustainable and greener economy. One way to help DMCs to fill the funding gap for the expansion of renewable energy and energy efficiency is to attract financing and expertise from private sector developers and investors through the creation of a favourable regulatory environment and the introduction of support schemes. Creating a legal and regulatory framework that is clear and predictable is key to attracting interest from international developers and financiers. In the case of energy efficiency projects, clear regulations introducing mandatory energy efficiency standards and appropriate incentives to adopt energy efficiency measures are crucial to create a legal environment that reduces the cost of the financing provided by banks. The proposed TA is consistent with ADB Strategy 2030, which (i) identifies tackling climate change and enhancing environmental sustainability as operational priorities; (ii) includes preparing viable and bankable private sector projects and scaling up support for public-private partnerships as part of its efforts to expand private sector operations; and (iii) recognizes the need for differentiated approaches to groups of countries.				
Impact	Increased deployment of renewable energy sources and energy efficiency improvements in the energy mix of selected DMCs				
Outcome	Create a legal and regulatory framework which is conducive to the development of renewable energy and energy efficiency projects which meet the basic viability and bankability requirements of national and international private sector investors				
Outputs	Gap analysis of the legislative and regulatory framework which governs renewable energy or energy efficiency projects in the DMCs Draft amendments to relevant legislation and/or regulation or draft new legislation and/or regulations, based on the results of the gap analysis Draft standard documentation which meets the requirements for bankability and/or standards of international best practice				
Geographical Location	Bhutan - Nation-wide; Indonesia - Nation-wide				
Summary of Environmental and Social Aspects					
Environmental Aspects					
Involuntary Resettlement					
Indigenous Peoples					
Stakeholder Communication, Participation, and Consultation					
During Project Design					
During Project Implementation					
Responsible ADB Officer	Quaggiotto, Daniele				

Responsible ADB Department	Office of the General Counsel
Responsible ADB Division	Office of the General Counsel
Executing Agencies	Asian Development Bank 6 ADB Avenue, Mandaluyong City 1550, Philippines

Timetable	
Concept Clearance	19 Nov 2020
Fact Finding	07 Dec 2020 to 12 Dec 2020
MRM	-
Approval	-
Last Review Mission	-
Last PDS Update	27 Nov 2020

Project Page	https://www.adb.org/projects/54049-001/main
Request for Information	http://www.adb.org/forms/request-information-form?subject=54049-001
Date Generated	01 December 2020

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