



Completion Report

Project Number: 46914-012
Technical Assistance Number: 8193
July 2015

Southeast Asia Regional Energy Efficiency Sector

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TA No., Country and Name			Amount Approved: \$600,000	
TA 8193-REG: Southeast Asia Regional Energy Efficiency Sector			Revised Amount: NA	
Executing Agency: Asian Development Bank (ADB)		Source of Funding: Technical Assistance Special Fund (TASF-IV)	Amount Undisbursed: \$34,492.86	Amount Utilized: \$565,507.14
TA Approval Date: 12 Oct 2012	TA Signing Date: 12 Oct 2012	Fielding of First Consultant: 25 Mar 2013	TA Completion Date Original: 30 Jun 2014 Actual: 31 Mar 2015	
			Account Closing Date Original: 30 Jun 2014 Actual: 15 May 2015	
Description				
<p>The Asian Development Bank (ADB) supports private sector investment in low carbon infrastructure in Southeast Asia where booming economies are rapidly becoming the leading contributors to global carbon emissions as energy consumption rises. Energy efficiency (EE) measures are therefore recognized as key to meeting growing energy demand, reducing carbon emissions, and increasing energy security across the region. However, actual implementation, effective enforcement, and capacity for delivering energy usage reductions in the region have been very limited.</p> <p>To catalyze financing and demonstrate the opportunity for EE investment, ADB approved the Southeast Asia Energy Efficiency Project on 12 Oct 2012 to support the implementation of EE projects under the regional investment program of Cofely Southeast Asia Pte. Ltd. (Cofely), a wholly owned subsidiary of GDF Suez Energie Services S.A., the world leader in energy and environmental efficiency services. The Project will demonstrate the viability of EE investments through realized energy savings, emission reductions, and increased net economic savings.</p> <p>A parallel research and development TA (RDTA) for US\$600,000 was also approved to help build awareness of EE and further facilitate private sector participation, and accelerate the development of local and regional EE markets. The TA was designed to address critical financial and information barriers inhibiting the growth of EE markets in Southeast Asia.</p>				
Expected Impact, Outcome and Outputs				
<p>The expected impact of the TA was to raise awareness of EE mechanisms and technologies throughout Southeast Asia, particularly among commercial managers and industry associations, to capture EE opportunities in the region.</p> <p>Identification of market segments and prospective clients within major energy-consuming sectors in the region with high potential to benefit from resource conservation initiatives is the intended TA outcome.</p> <p>The outputs of the TA are (i) dissemination of case studies of selected energy service companies (ESCOs) exemplifying the impact of EE services; and (ii) awareness campaign targeted at business owners and decision-makers.</p>				
Delivery of Inputs and Conduct of Activities				
<p>The TA was well-defined, and TA resources were adequate. The consulting services contract was signed on 25 March 2013. The consultant was selected for its expertise in delivering EE solutions and strong technical knowledge of the local and regional EE markets within Southeast Asia. The contract entailed 16 person-months of international consultants and 5 person-months of national consultants.</p> <p>The consultant performed satisfactorily and completed the tasks and activities required under the TA. The consultant conducted stakeholder consultations and an EE sector review to determine EE market potential and identify current standard EE and management practices. A Marketing and Information, education and communication (IEC) plan was developed to demonstrate the benefits of EE services in Southeast Asia through production of multimedia materials, press releases, websites (http://adb-seaee.com) and other publications, and public consultation workshops.</p> <p>Workshops were successfully conducted in 4 target countries, namely, Malaysia (22 Oct 2013), Philippines (29 and 30 Oct 2013), Cambodia (26 Nov 2013), and Thailand (4 Mar 2014) with a total of 442 participants in attendance. A final workshop was held on 8 Apr 2014 at the ADB Headquarters in Manila. The consultant hosted workshop discussions and disseminated materials containing case studies that provided successful EE stories across a variety</p>				

of industries.

ADB's performance as the Executing Agency was highly satisfactory, maintaining close coordination with the consultant during TA implementation through meetings, emails, and workshop participation. ADB approved extension of the TA completion date until 15 Mar 2015 as implementation of workshops in Bangkok, and consequently submission of final TA deliverables, were deferred due to the political instability in Thailand in early 2014. No additional costs were incurred as a result of the delay.

Evaluation of Outputs and Achievement of Outcome

All outputs and outcome were fully achieved. The consultant produced all the required deliverables in accordance with the consulting services contract. A review of the EE sector provided an estimate of the current EE investment potential among commercial and industrial segments in Southeast Asia and an analysis of barriers facing the EE sector within the region. Workshops held were effective in communicating technical, financial, environmental, and social viability of EE projects to target participants such as business owners, decision-makers, facility engineers and managers from financial institutions, private sector organizations, industry groups, and other stakeholder organizations. These events also provided opportunities for ESCOs to convene with potential customers. Through discussions with key players and presentation of well-documented EE case studies, the workshop increased awareness about ESCO capacity in designing, financing, and implementing EE projects; and how such EE services could help to reduce energy costs and increase operational efficiencies, and ultimately, promoting EE investment across Southeast Asia. Overall, the consultant proved responsive across all modes of communication and delivered the outputs (and drafts) in a timely manner. The team was quick to address ADB comments or concerns during the drafting process.

Overall Assessment and Rating

The TA is consistent with ADB's Energy Policy which supports wider access to energy through investments in energy efficiency projects. The TA achieved its objectives and successfully conveyed the financial and operational benefits that EE solutions bring to businesses. As a parallel activity to the Southeast Asia Energy Efficiency Project, the TA showcased a concrete model of a full service ESCO, such as Cofely, which can be replicated in other companies and industries. The IEC materials prepared by the consultant were appropriate and progress reports were satisfactory. There were no major issues reported during TA implementation. Overall, the TA is rated successful.

Major Lessons

National energy-savings targets have been identified by countries across Asia, but concrete action to meet these targets is still in the initial phase. Despite the increased level of interest, actions taken by policymakers, available market opportunity, and actual implementation EE projects remain deficient. While the TA's awareness campaign has been effective in highlighting the significance of EE projects, there needs to be continuous effort, on the regional and national levels, in accelerating EE investments to help meet EE targets.

During stakeholder consultations, access to financing was identified as one of the primary barriers to EE investments. To address this issue, programs tailored for financing institutions should be available to build their capacity in structuring and monitoring EE loans, understanding the technical nature and economics of EE projects, and marketing EE financial services to develop their EE project pipeline.

With respect to the implementation delay due to political activities in Bangkok, it could not have been anticipated as the locale was relatively stable during the initial TA design. The workshops could not have been relocated without significantly impacting the success of outreach in the prioritized Thai market. ADB appreciated the consultants' flexibility to regroup and rearrange to make sure the target audiences were reached once circumstances returned to normal.

Recommendations and Follow-Up Actions

ADB continues to monitor the progress of the Southeast Asia Energy Efficiency Project, and will follow-up on business opportunities generated by the TA. Future TA planning will integrate some discussion of political or natural disaster events to ensure alternative locations or avenues of communication are considered beforehand.

TA = technical assistance

