

Early Warning System

ADB-54011-002

Palau : Disaster Resilient Clean Energy Financing - Additional Financing

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Quick Facts

Countries	Palau
Financial Institutions	Asian Development Bank (ADB)
Status	Approved
Bank Risk Rating	U
Voting Date	2023-12-11
Borrower	Government of Palau
Sectors	Energy, Finance
Investment Type(s)	Grant
Investment Amount (USD)	$ 5.00 million
Grant Amount (USD)	$ 5.00 million
Project Cost (USD)	$ 5.00 million

Project Description

As stated by the ADB, the additional financing for the DRCEF Facility is to further accelerate clean energy investments by NDBP through establishing a new product under DRCEF. The new product will be a revolving facility on-lent by the NDBP with a subsidized interest rate on terms and conditions set forth in grant and project agreements between ADB and MOF/NDBP. The pricing and tenor of the proposed on-lending by the NDBP will include its administration charge and risk premium based on appraisal of loan applications to be further designed and reviewed at due diligence stage. The scope of the new product will be further determined at due diligence stage but will support an additional DRCEF Output 4: a new product for incentivizing adoption of advanced low-carbon technologies in clean energy projects made available and operationalized.

The eligible projects may include: (i) rooftop solar PV, battery energy storage system, and energy management system for residential housing and/or commercial buildings; (ii) floating solar PV, battery energy storage system, and energy management system; and (iii) electric transportation (electric ferries, electric buses).

Early Warning System Project Analysis

The ADB categorized the project E&S risks as 'FI'.

Investment Description

- Asian Development Bank (ADB)

Financial Intermediary

Financial Intermediary: A commercial bank or financial institution that receives funds from a development bank. A financial intermediary then lends these funds to their clients (private actors) in the form of loans, bonds, guarantees and equity shares. Financial intermediaries include insurance, pension and equity funds. The direct financial relationship is between the development bank and the financial intermediary.

- National Development Bank of Palau (Financial Intermediary)

Private Actors Description

As stated on the company's website, the National Development Bank of Palau (NDBP or the Bank) is a small development finance organization operating in the Republic of Palau, where underlying economic strength presently relies heavily on foreign aid. Such aid monies primarily flow from the United States under a Compact of Free Association, with significant contributions also from Japan and Taiwan.

The Bank itself is 100% government owned. Its corporate objective is to actively promote environmentally friendly economic development in all sectors of the nation through the provision of low cost capital to deserving enterprises, conduct business in a profitable and sustainable manner, and constantly strive to exceed customer expectations. Palau National Code Annotated 26 PNCA § 102 established the National Development Bank of Palau.

Contact Information

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Implementing Agency - National Development Bank of Palau:

No project contacts provided at the time of disclosure.

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ACCESS TO INFORMATION

You can submit an information request for project information at: https://www.adb.org/forms/request-information-form

ADB has a two-stage appeals process for requesters who believe that ADB has denied their request for information in violation of its Access to Information Policy. You can learn more about filing an appeal at: https://www.adb.org/site/disclosure/appeals

ACCOUNTABILITY MECHANISM OF ADB

The Accountability Mechanism is an independent complaint mechanism and fact-finding body for people who believe they are likely to be, or have been, adversely affected by an Asian Development Bank-financed project. If you submit a complaint to the Accountability Mechanism, they may investigate to assess whether the Asian Development Bank is following its own policies and procedures for preventing harm to people or the environment. You can learn more about the Accountability Mechanism and how to file a complaint at: http://www.adb.org/site/accountability-mechanism/main.

Bank Documents

- Additional Financing Report
- Gender Action Plan
- Project Administration Manual

Other Related Projects

- ADB-54011-001 Disaster Resilient Clean Energy Financing Facility