



Draft Paper for Consultation
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Energy Policy Supporting Low Carbon Transition in Asia and the Pacific

ABBREVIATIONS AND ACRONYMS

ADB	-	Asian Development Bank
CO ₂	-	carbon dioxide
DMC	-	developing member country
GHG	-	greenhouse gas
IED	.	Independent Evaluation Department
LNG	-	liquified natural gas
NDC	.	nationally determined contribution
OP	-	operational priorities of ADB Strategy 2030
PPP	-	public private partnership
PRC	-	People's Republic of China
PV	-	photovoltaic
SDG	-	Sustainable Development Goal
SOE	-	state-owned enterprise

NOTES

In this report, "\$" refers to United States dollars.

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A. BACKGROUND AND INTRODUCTION

1. Over the past few decades, the Asia and Pacific region has experienced unprecedented economic progress, modernizing its societies and improving the living conditions of its people. This process has been underpinned by economic reforms, international collaboration, urbanization, and lower labor and production costs. Expanded energy access and increased security of energy supply have contributed to countries' economic development and improved quality of life. The economic transformation has not, however, been equal across countries and between people, and has had harmful climate and environmental consequences.

2. In response to the various challenges faced by the region, in 2018, the Asian Development Bank (ADB) launched its Strategy 2030 to address, in its operations, the continuing issues of poverty and vulnerabilities, inequality, and the growing environmental pressures.¹ Strategy 2030 also reflects ADB's commitment to aligning with its global commitments to the Sustainable Development Goals (SDGs) and the related Financing for Development agenda, and the Paris Agreement on climate change (Paris Agreement).

3. Strategy 2030 expands ADB's vision to achieve a prosperous, inclusive, resilient, and sustainable Asia and the Pacific. To achieve Strategy 2030's vision, ADB will focus on seven operational priority areas, namely: (i) addressing remaining poverty and reducing inequalities, (ii) accelerating progress in gender equality, (iii) tackling climate change, building climate and disaster resilience, and enhancing environmental sustainability, (iv) making cities more livable, (v) promoting rural development and food security, (vi) strengthening governance and institutional capacity, and (vii) fostering regional cooperation and integration.

4. In aligning its operations with Strategy 2030, ADB will expand its interventions in social sectors, such as education, health, and social protection. In addition, at least 75% of the number of ADB's committed operations (on a 3-year rolling average, including sovereign and nonsovereign operations) will promote gender equality by 2030. As ADB's developing member countries (DMCs) pursue more livable and sustainable cities and further rural development, they will meet complex and cross-sectoral development challenges in education, health, transport, water, and agriculture. To contribute to meeting these challenges, ADB's energy sector activities must follow from an understanding of how energy systems interact with broader society and environment.

5. In 2019, global carbon dioxide (CO₂) emissions from the combustion of fossil fuels (coal, oil, and natural gas) amounted to 36.4 gigatons, representing 80% of the total anthropogenic carbon emissions and 68% of the total of greenhouse gas (GHG) emissions (as measured by their impact on global warming, through their global warming potential), which also includes methane, nitrous oxide, and fluorinated gases, stemming from all types of human activity—agriculture, industrial processes, land use and land use change, and energy.^{2,3} Consequently, a vigorous intervention in the energy sector represents a direct and

¹ ADB. 2018. *Strategy 2030. Achieving a Prosperous, Inclusive, Resilient, and Sustainable Asia and the Pacific*. Manila.

² IIASA (2020). *Global Carbon Budget 2020*. Earth System Science Data. 12. 3269-3340. 10.5194/essd-12-3269-2020.

³ OurWorldinData. <https://ourworldindata.org/greenhouse-gas-emissions>