



## Regional: Study for a Power Sector Financing Road Map within Central Asia Regional Economic Cooperation

Project Name	Study for a Power Sector Financing Road Map within Central Asia Regional Economic Cooperation	
Project Number	48147-001	
Country	Regional	
Project Status	Closed	
Project Type / Modality of Assistance	Technical Assistance	
Source of Funding / Amount	<b>TA 8727-REG: Study for a Power Sector Financing Road Map within Central Asia Regional Economic Cooperation</b>	
	Technical Assistance Special Fund	US\$ 1.00 million
	People's Republic of China Regional Cooperation and Poverty Reduction Fund	US\$ 500,000.00
Strategic Agendas	Inclusive economic growth Regional integration	
Drivers of Change	Governance and capacity development Knowledge solutions Partnerships Private sector development	
Sector / Subsector	<b>Energy</b> - Energy sector development and institutional reform	
Gender Equity and Mainstreaming	No gender elements	
Description	<p>1. The Strategic Framework for the Central Asian Regional Economic Cooperation (CAREC) Program 2011-2020 (CAREC Strategy 2020) identifies energy as an operation priority with the vision of achieving (i) energy security through balanced development of the region's energy infrastructure and institutions; (ii) stronger integration of region's energy markets to make available adequate volumes of commercial energy in a reliable, affordable, financially sustainable and environmentally sound manner; and (iii) economic growth through energy trade. In 2012, the CAREC Energy Work Plan (EWP) 2013-2015 was adopted to ensure effective and timely achievement of the strategic objectives as laid out in the CAREC Strategy 2020. The EWP has six actionable elements to implement sector operational priorities, one of which is mobilizing funds for building energy assets (Element 4).</p> <p>2. The CAREC Power Sector Financing Roadmap, to be prepared under the technical assistance (TA), will assess the capacity and willingness of CAREC countries to finance power infrastructure development from their own resources, and examine other potential sources of financing, for both national and cross-border projects. The legal and regulatory framework in the region that may impede upon cross-border projects will be reviewed. In particular, the TA will identify power projects with public-private-partnership (PPP) potential, and will highlight measures for stimulating private sector interest in the CAREC region's power sector. In addition, the TA will also review the energy strategy in the CAREC Strategy 2020 and aid in the implementation of Element 6 (Capacity Building and Knowledge Management) activities under the EWP 2013-2015. The concept paper was approved on 20 March 2014.</p>	

Project Rationale and Linkage to Country/Regional Strategy	<p>3. All CAREC countries have substantial investment needs for power sector development, as indicated by their national development plans and recent studies. According to the 2012 Power Sector Regional Master Plan involving four CAREC countries (Kazakhstan, Kyrgyz Republic, Tajikistan, and Uzbekistan) and completed in October 2012 through ADB technical assistance, an investment of about \$36 billion is required over a 10-year period (2013-2022) for the rehabilitation and expansion of power infrastructure in these countries alone. The 10-year plan includes \$32.8 billion of investment in generation and \$3.2 billion of investment in the 500-kV and 220-kV transmission systems. The recently completed Afghanistan Power Sector Master Plan and the National Power System Expansion Plan for Pakistan, contain similarly challenging investment projections for both countries. For example, the Afghanistan Power Sector Master Plan has established a total investment requirement of \$10.1 billion, including \$7.3 billion for power generation and \$2.8 billion for power transmission in the country.</p> <p>4. The power sector financing requirements of the CAREC countries will be beyond the reach of some of these countries and will stretch the financial resources of others. Given the significant financing requirement of the region, the limited financing coming from the public sector for power infrastructure projects, there are urgent need to explore other possible sources of financing, including private sector funds. The same sentiment was highlighted in the CAREC EWP, 2013-2015, thus the identification by the ESCC of the necessity of this technical assistance to assess the capacity and willingness of these countries to finance power infrastructure development from their own resources, and examine other potential sources of financing, for both national and cross-border projects. In particular, the RETA will identify power projects with public-private partnership (PPP) potential, and will highlight measures for stimulating private sector interest in the CAREC region's power sector. Given the lack of an available financing roadmap and the capacity to develop such a roadmap, the TA will assist the CAREC countries to develop a power sector financing roadmap which will identify specific requirements for accessing funds, appropriate sustainable financing approaches and modalities for national as well as regional power infrastructure development within CAREC countries.</p> <p>5. The overall energy strategy embedded in the CAREC Strategy 2020 would also need to be reviewed to consider current and prospective demands as well as emerging issues in the region. The TA will also aid in bridging the capacity gap in CAREC countries and provide for the implementation of capacity building programs.</p>
Impact	Funds mobilized for CAREC power sector infrastructure development

## Project Outcome

Description of Outcome	Pipeline of projects for CAREC countries identified with sustainable financing approach and modalities for CAREC
Progress Toward Outcome	All financing roadmap reports with a potential list of investment projects and an analysis of financing modality for each country have been completed and disclosed on the CAREC website.

## Implementation Progress

Description of Project Outputs	CAREC Power Sector Financing Roadmap developed Energy Strategy in the CAREC Strategy 2020 reviewed and revised Energy Work Plan 2013-2015 implemented (Element 6)
Status of Implementation Progress (Outputs, Activities, and Issues)	Final reports of the financing roadmap have been developed, shared with members and disclosed on the CAREC website. The Energy Strategy and Work Plan 2016-2020 (now a combined document) has been finalized, endorsed and posted on the CAREC website. CAREC energy sector study trips were held as a part of Capacity Building and Knowledge Management element of the Work Plan (2013-2015 and 2016-2020).
Geographical Location	Afghanistan, Azerbaijan, People's Republic of China (Xinjiang Uyghur Autonomous Region and Inner Mongolia Autonomous Region), Kazakhstan, Kyrgyz Republic, Mongolia, Pakistan, Tajikistan, Turkmenistan and Uzbekistan

## Summary of Environmental and Social Aspects

Environmental Aspects

Involuntary Resettlement

Indigenous Peoples

### Stakeholder Communication, Participation, and Consultation

During Project Design	All CAREC member countries have been consulted and agreed to conduct this study.
During Project Implementation	Consultation was made during the project implementation stage with all CAREC member countries on the progress and outcome of the study.

## Business Opportunities

Consulting Services      Consultants (consulting firm and individual energy expert) were selected and mobilized in Q1 2015.

## Responsible Staff

Responsible ADB Officer	Inoue, Yuki
Responsible ADB Department	Central and West Asia Department
Responsible ADB Division	Energy Division, CWRD
Executing Agencies	<i>Asian Development Bank 6 ADB Avenue, Mandaluyong City 1550, Philippines</i>

## Timetable

Concept Clearance	20 Mar 2014
Fact Finding	-
MRM	-
Approval	26 Sep 2014
Last Review Mission	-
Last PDS Update	27 Mar 2017

## TA 8727-REG

Milestones					
Approval	Signing Date	Effectivity Date	Closing		
			Original	Revised	Actual
26 Sep 2014	-	26 Sep 2014	31 Dec 2015	31 Dec 2016	-

Financing Plan/TA Utilization						Cumulative Disbursements		
ADB	Cofinancing	Counterpart				Total	Date	Amount
		Gov	Beneficiaries	Project Sponsor	Others			
1,000,000.00	500,000.00	0.00	0.00	0.00	0.00	1,500,000.00	26 Sep 2014	1,166,524.62

Project Page	<a href="https://www.adb.org/projects/48147-001/main">https://www.adb.org/projects/48147-001/main</a>
Request for Information	<a href="http://www.adb.org/forms/request-information-form?subject=48147-001">http://www.adb.org/forms/request-information-form?subject=48147-001</a>
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