



Azerbaijan: Preparing an Enabling Environment for Private Sector Participation in the Power Sector

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| Project Name | Preparing an Enabling Environment for Private Sector Participation in the Power Sector |
| Project Number | 48200-001 |
| Country | Azerbaijan |
| Project Status | Active |
| Project Type / Modality of Assistance | Technical Assistance |
| Source of Funding / Amount | TA 8730-AZE: Preparing an Enabling Environment for Private Sector Participation in the Power Sector Technical Assistance Special Fund US\$ 800,000.00 |
| Strategic Agendas | Inclusive economic growth |
| Drivers of Change | Private sector development |
| Sector / Subsector | Energy - Energy sector development and institutional reform |
| Gender Equity and Mainstreaming | No gender elements |
| Description | The TA will reference international best practice for private sector participation in the power sector and assess the potential application and benefits specific to Azerbaijan's power sector. The outputs to be completed under the TA include: (i) a road map for private sector participation in Azerbaijan's power sector; (ii) a report recommending policy, legal, and regulatory changes required to create enabling environment; and (iii) a project structure and development plan for an example private sector participation project(s). |
| Project Rationale and Linkage to Country/Regional Strategy | The government's annual budget cannot meet the total projected investments required to efficiently deliver electricity to all customers and meet the country's socioeconomic development targets. Enabling private sector participation in Azerbaijan's power sector will assist the government meet the significant investment requirements for the sector, improve overall sector efficiency, and prepare a pilot project to catalyze potential future power sector reforms. |
| Impact | Private sector participation in the power sector promoted. |

Project Outcome

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| Description of Outcome | The business environment for private sector participation in the power sector is improved. |
| Progress Toward Outcome | Project implementation is still ongoing. Phase 2 of the Project is expected to start in Q2 2017. |

Implementation Progress

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| Description of Project Outputs | Road map for private sector participation in Azerbaijan's power sector Report recommending policy, legal and regulatory changes required to create enabling environment Project structure complete for an example private sector participation project |
| Status of Implementation Progress (Outputs, Activities, and Issues) | The first phase of the Project has been completed with the submission of the final reports: (i) Roadmap Report; and (ii) Policy, Legal, and Regulatory Framework Review Report. The second phase of the Project is expected to commence in Q2 2017. |
| Geographical Location | Azerbaijan |

Summary of Environmental and Social Aspects

Environmental Aspects

Involuntary Resettlement

Indigenous Peoples

Stakeholder Communication, Participation, and Consultation

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| During Project Design | Stakeholder consultation will continue through the project design during reconnaissance and fact finding missions. |
| During Project Implementation | A Stakeholder communication and management plan will be developed during the early stages of the project implementation to ensure effective stakeholder participation and consultation is completed throughout the project implementation. |

Business Opportunities

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| Consulting Services | An international firm has been selected and has mobilized to complete the Study. The firm of consultants (or consortium) has been recruited in accordance with ADB's Guidelines on the use of Consultants (April 2013, as amended from time to time) using Quality- and Cost-Based Selection (with 90:10 Technical: Financial ratio) and simplified technical proposal. The firm will provide 9.25 person-months inputs of international and 9 person-months inputs of national consultants. |
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Responsible Staff

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|----------------------------|--|
| Responsible ADB Officer | Pladet, Roland C.J. |
| Responsible ADB Department | Central and West Asia Department |
| Responsible ADB Division | Energy Division, CWRD |
| Executing Agencies | <i>Ministry of Finance</i> 83, Same Vurgun Street AZ1022 Baku, Azerbaijan |

Timetable

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| Concept Clearance | 10 Apr 2014 |
| Fact Finding | - |
| MRM | - |
| Approval | 26 Sep 2014 |
| Last Review Mission | - |
| Last PDS Update | 28 Mar 2017 |

TA 8730-AZE

| Milestones | | | | | |
|-------------|--------------|------------------|-------------|-------------|--------|
| Approval | Signing Date | Effectivity Date | Closing | | |
| | | | Original | Revised | Actual |
| 26 Sep 2014 | 24 Oct 2014 | 24 Oct 2014 | 30 Apr 2016 | 30 Oct 2017 | - |

| Financing Plan/TA Utilization | | | | | | Cumulative Disbursements | | |
|-------------------------------|-------------|-------------|---------------|-----------------|--------|--------------------------|-------------|------------|
| ADB | Cofinancing | Counterpart | | | | Total | Date | Amount |
| | | Gov | Beneficiaries | Project Sponsor | Others | | | |
| 800,000.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 800,000.00 | 26 Sep 2014 | 445,713.08 |

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| Project Page | https://www.adb.org/projects/48200-001/main |
| Request for Information | http://www.adb.org/forms/request-information-form?subject=48200-001 |
| Date Generated | 06 July 2017 |

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