



Kazakhstan: Gas Sector Development in Kazakhstan

Project Name	Gas Sector Development in Kazakhstan	
Project Number	53299-001	
Country	Kazakhstan	
Project Status	Active	
Project Type / Modality of Assistance	Technical Assistance	
Source of Funding / Amount	TA 9785-KAZ: Gas Sector Development in Kazakhstan	
	Technical Assistance Special Fund	US\$ 225,000.00
Strategic Agendas	Inclusive economic growth	
Drivers of Change	Governance and capacity development Knowledge solutions Private sector development	
Sector / Subsector	Energy - Energy efficiency and conservation	
Gender Equity and Mainstreaming	No gender elements	
Description	This small scale knowledge sharing technical assistance will help Joint-Stock Company KazTransGas (KTG) to improve operational and energy efficiency through introduction of the most advanced metering and billing technology, better financial management and planning, and safeguards management following the best international practices. The TA will have three major outputs: (i) a report on technical assessment of the selected smart metering and billing technology; (ii) revised financial models for smart metering and BSGP projects; and (iii) an assessment report on environmental safeguard issues and management of both KTG and BSGP.	
Project Rationale and Linkage to Country/Regional Strategy	Following directives of the government in 2018, KTG started to develop a new billing platform based on the modern mobile communication systems, namely the Narrow Band Internet of Things (NB-IoT). New smart metering and billing system will enable customers to online monitor gas consumption through mobile devices in real-time mode. It will also allow them to make instant payments and request reconnection in case of being disconnected due to delayed payments. All of these will ultimately lead to demand side efficiency. All these service improvements will be done with no additional cost to customers, while 30% of customers will benefit from reduced gas consumption bill. KTG expects to reduce total losses by around 40% and saved gas will be exported generating additional revenues. The proposed technology has been tested worldwide but is innovative for Kazakhstan and entire Central Asia. KTG is an enterprise with substantial social obligations and any technological fault might impact significant part of population. Therefore, KTG requested ADB to provide technical assistance to assess the advantages of the selected technology, confirm anticipated benefits and costs and evaluate risks. Due to recent deterioration of the financial sustainability, KTG also requested to verify financial models of the smart metering and Beineu-Bozoi-Shymkent Gas Pipeline (BSGP) projects. Additionally, KTG is keen to bring is safeguards monitoring system up to international levels.	
Impact	Digitalization of the retail gas sector in Kazakhstan achieved by 2022	
Project Outcome		
Description of Outcome	Gas supply system improvements in Kazakhstan initiated	
Progress Toward Outcome		
Implementation Progress		
Description of Project Outputs	New smart gas metering technology selected Financial planning tools of KTG improved Safeguard management system improved	
Status of Implementation Progress (Outputs, Activities, and Issues)		
Geographical Location	Nation-wide	
Summary of Environmental and Social Aspects		
Environmental Aspects		
Involuntary Resettlement		
Indigenous Peoples		
Stakeholder Communication, Participation, and Consultation		
During Project Design		
During Project Implementation		
Responsible ADB Officer	Levan Mtchedlishvili	
Responsible ADB Department	Central and West Asia Department	
Responsible ADB Division	Energy Division, CWRD	
Executing Agencies	Asian Development Bank 6 ADB Avenue, Mandaluyong City 1550, Philippines	

Timetable	
Concept Clearance	-
Fact Finding	05 Jul 2019 to 05 Jul 2019
MRM	-
Approval	09 Aug 2019
Last Review Mission	-
Last PDS Update	13 Aug 2019

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Financing Plan/TA Utilization						Cumulative Disbursements		
ADB	Cofinancing	Counterpart				Total	Date	Amount
		Gov	Beneficiaries	Project Sponsor	Others			
225,000.00	0.00	0.00	0.00	0.00	0.00	225,000.00	-	0.00

Project Page	https://www.adb.org/projects/53299-001/main
Request for Information	http://www.adb.org/forms/request-information-form?subject=53299-001
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