



# Kazakhstan: Advanced Gas Metering Project

Project Name	Advanced Gas Metering Project		
Project Number	53328-001		
Borrower/Company	Joint Stock Company KazTransGas		
Country	Kazakhstan		
Location	Nation-wide		
Approval Number	7691/4111		
Type of ADB Assistance / Amount	4111	Ordinary capital resources	KZT 42,558.00 million Approved
Strategic Agendas	Environmentally sustainable growth Inclusive economic growth		
Drivers of Change	Gender Equity and Mainstreaming Private sector development		
Sector / Subsector	Energy - Energy utility services		
Gender Equity and Mainstreaming	Effective gender mainstreaming		
Responsible ADB Department			
Responsible ADB Division			
Responsible ADB Officer	Abdrakhmanov, Alibek		
Project Sponsor(s)	Joint Stock Company KazTransGas		
Description	The proposed loan will enable the borrower to procure and install up to 1 million advanced smart gas meters across Kazakhstan.		
Objectives and Scope	The proposed project will help modernize retail gas metering system using advanced technology that will lead to improvements in operational efficiency and reduction of losses and greenhouse gas emissions with no additional cost to the customers.		
Linkage to Country/Regional Strategy	<p>Following the directives of the government, KTG started in 2018 to develop a new billing platform based on modern mobile communication systems, namely the Narrow Band Internet of Things (NB-IoT). The new smart metering and billing system will enable real-time monitoring of gas consumption for customers through mobile devices. It will also allow them to make instant payments and request reconnection in case they are disconnected due to delayed payments. These initiatives to provide better information and connection/disconnection services will lead to more efficient use of gas resources in the country. Further, not only will these initiatives be provided without additional cost to customers, 30% of customers will benefit from reduced gas consumption bills by shifting to volume-based billing from fixed fees. KTG expects to reduce total losses and the saved gas will be exported, generating additional foreign exchange revenues for the company and the country.</p> <p>The proposed technology has been tested worldwide but is considered innovative for Kazakhstan and the entire Central Asia region. However, if KTG faces any technology malfunction, it would impact a significant part of the whole population in Kazakhstan; its monopolistic position reflects the public goods nature of its products and its substantial social obligations. 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 conditions, KTG also requested ADB to assist in verifying its financial models of the smart metering and BSGP projects. Additionally, KTG is keen to bring its safeguards monitoring and management system up to international levels.</p>		
<b>Safeguard Categories</b>			
Environment			C
Involuntary Resettlement			C
Indigenous Peoples			C
<b>Summary of Environmental and Social Aspects</b>			
Environmental Aspects	This project will fund the procurement and installation of one million advanced smart gas meters at residential, commercial, and industrial properties. No part of the proceeds will be used for the construction of infrastructure by the company. As such, it is considered that this project will have minimal to no adverse environmental impacts.		
Involuntary Resettlement	This project will fund the procurement and installation of one million advanced smart gas meters at pre-existing residential, commercial, and industrial properties. The project assessment finds that it will not physically or economically displace people because of involuntary land acquisition and will not create involuntary restrictions on land use or on access to legally designated parks or protected areas. It is considered that this project will have no involuntary resettlement.		
Indigenous Peoples	The project assessment has determined that it will not directly or indirectly affect the dignity, human rights, livelihood systems or culture of indigenous peoples.		
Stakeholder Communication, Participation, and Consultation	The project will include specific provisions to ensure timely communication to stakeholders about the project's activities including access to a complaints' mechanism.		
<b>Timetable for assistance design, processing and implementation</b>			
Concept Clearance	29 Sep 2020		
Due Diligence			
Credit Committee Meeting	06 Aug 2021 to 06 Aug 2021		

Approval	21 Sep 2021
Last PDS Update	28 Sep 2021

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Project Page	<a href="https://www.adb.org/projects/53328-001/main">https://www.adb.org/projects/53328-001/main</a>
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