



Regional: South Asia Subregional Economic Cooperation Green Fuel Development Initiative

Project Name	South Asia Subregional Economic Cooperation Green Fuel Development Initiative	
Project Number	56096-001	
Country / Economy	Regional	
Project Status	Active	
Project Type / Modality of Assistance	Technical Assistance	
Source of Funding / Amount	TA 10020-REG: South Asia Subregional Economic Cooperation_Green Fuel Development Initiative	
	Japan Fund for Prosperous and Resilient Asia and the Pacific	US\$ 2.00 million
Strategic Agendas	Environmentally sustainable growth Inclusive economic growth	
Drivers of Change	Gender Equity and Mainstreaming Governance and capacity development Knowledge solutions Partnerships Private sector development	
Sector / Subsector	Energy / Renewable energy generation - biomass and waste	
Gender Equity and Mainstreaming	Some gender elements	
Description	<p>The regional knowledge and support technical assistance (TA) aims to support the South Asia region in transitioning from fossil fuels to carbon-free 'green fuels' such as advanced biofuels and green hydrogen as well as green ammonia. As the energy sector's regional cooperation and integration, the TA will launch Green Fuel Development Initiative under the South Asia Subregional Economic Cooperation (SASEC) platform, which covers seven countries including Bangladesh, Bhutan, India, Maldives, Myanmar, Nepal, and Sri Lanka. This initiative frameworks were endorsed by the SASEC energy working group meeting and its nodal officers meeting in June 2022. The TA will assess each country's and the region's market potential for various types of green fuels across multiple sectors including energy, transport, manufacturing, agriculture, and others. Transnational supply and value chains will also analyzed. Based on the studies, the TA will also identify immediate applications of green fuels to help design pilot project schemes for demonstration purposes in selected countries. Subject to each country's conditions and requirements, development strategies and roadmaps will be provided in both country's and region's contexts. Eventually, various capacity and knowledge activities can be integrated to increase awareness of stakeholders on development and promotion of green fuels.</p>	
Project Rationale and Linkage to Country/Regional Strategy	<p>Energy security. All the South Asian countries are net oil importers, and are expanding the use of natural gas and liquidated petroleum gas. Since the conflict between the Ukraine and Russia, global fuel prices have been soaring and the local fuel demand and supply situation has drastically been impacted. This fundamental commodity's market change has triggered inflationary effects rapidly on overall economies across the countries and has raised the immediate energy security concerns.</p> <p>Climate change. In many SASEC member countries, most of power generation is still dependent on thermal power plants with conventional fossil fuels, petroleum, natural gas, and coal. Other energy usage for transport, industry, and agriculture largely relies on fossil fuels. The emissions from these sectors are increasing along with economic growth and fossil fuels cater to the majority of the greenhouse gas emissions.</p> <p>Green recovery. The green fuel development is expected to have a transformational effect on the domestic and regional economy through a new market creation. In the long run, it will contribute to green industry and local job creation. This is because these alternative fuels can be used for extensive industries.</p>	
Impact	Usage of green fuels increased in multiple sectors across the SASEC countries	
Project Outcome		
Description of Outcome	Readiness for pilot project investments in green fuel development and business enhanced	
Progress Toward Outcome		
Implementation Progress		
Description of Project Outputs	<p>SASEC country-specific and regional market studies on green fuel development prepared</p> <p>Green fuel development solutions designed</p> <p>Regional development strategies and road maps on green fuel supply chain systems developed</p> <p>Awareness of and knowledge sharing on green fuel development improved</p>	
Status of Implementation Progress (Outputs, Activities, and Issues)		
Geographical Location	Regional	
Summary of Environmental and Social Aspects		
Environmental Aspects		
Involuntary Resettlement		
Indigenous Peoples		
Stakeholder Communication, Participation, and Consultation		
During Project Design		

During Project Implementation

Business Opportunities	
Consulting Services	NA
Procurement	NA
Responsible ADB Officer	Ogino, Kaoru
Responsible ADB Department	South Asia Department
Responsible ADB Division	Energy Division, SARD
Executing Agencies	Asian Development Bank
Timetable	
Concept Clearance	02 Sep 2022
Fact Finding	-
MRM	-
Approval	07 Dec 2022
Last Review Mission	-
Last PDS Update	08 Dec 2022

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Financing Plan/TA Utilization						Cumulative Disbursements		
ADB	Cofinancing	Counterpart				Total	Date	Amount
		Gov	Beneficiaries	Project Sponsor	Others			
0.00	2,000,000.00	0.00	0.00	0.00	0.00	2,000,000.00	-	0.00

Project Page	https://www.adb.org/projects/56096-001/main
Request for Information	http://www.adb.org/forms/request-information-form?subject=56096-001
Date Generated	09 December 2022

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